

BOARD OF DIRECTORS

VENKATR. KALAVAKOLANU	<i>Chairman & Managing Director</i>
Dr. M.C. SRINIVASAN	<i>Director</i>
K.N. GUHA	<i>Director</i>
RUDOLF H. TANNER	<i>Director</i>

AUDITORS

A.G.V. REDDY & Co.
15-570-33, 1st Floor
Pallavi Towers
Subhash Road, Opp. Canara Bank
Anantapur – 515 001.
Andhra Pradesh.

BANKERS

Industrial Development Bank of India
Chapel Road
Hyderabad – 500 001.

REGISTERED OFFICE

24, Kolhar
I.D.A.
Bidar – 585 401
Karnataka.

CORPORATE OFFICE

10-3-2/15, Sripuri Colony
East Marredpally
Secunderabad – 500 026.
Andhra Pradesh.

WORKS

24, Kolhar	Survey No. 111	Survey No. 10 & 10/E2/A2
I.D.A., Bidar – 585 401	Cheriyal Village	Gaddapotharam Village
Karnataka.	Sangareddy Mandal	Jinnaram Mandal
	Medak District	Medak District
	Andhra Pradesh.	Andhra Pradesh.

Twenty Third Annual Report 2007-2008

Chairman's Speech.....

I am happy to use this opportunity to communicate to you the progress and investments made by your company in the past financial year and the opportunities and prospects it has going forward.

At the outset I would like to convey that the company has now started reaping the fruit of all the investments in R&D and global marketing made in the past. We are now being recognized in several parts of the world as the highly focused and competent players in the peptides arena. We are progressing very well on our goal to be an integrated global peptides company. Global life science companies like Merck are approaching us for business alliances.

The sales for the year were Rs.129.81 Crores which was a 23.83% increase over the previous year. The Profit after tax for the year was Rs.27.04 Crores which was a 43.75% increase over the previous year. Hence your company is on the growth path.

During the financial year, we made our presence felt in Europe by way of an acquisition. We acquired a high end GMP approved manufacturing facility of Merck, located in Switzerland. The acquisition is complete and will give your company a competitive edge in the global peptide market since it now has a manufacturing facility in Europe. Already your company has several manufacturing facilities in India and once the manufacturing facility in USA is on stream, we would possess a global delivery model.

The R&D group is churning out new products, and the product profile of the company would be alluring in the years to come. The company's R&D expenditure was 6.34% of sales for the financial year, which is testimony that your company is a R&D focused company. I would like to highlight here, that it is not just the amount we spend on R&D but the high productivity of our R&D team.

During the year, Ranbaxy Laboratories made a strategic investment in your company. The intent behind this is that while your company would focus on product development and manufacturing, Ranbaxy would enhance the global marketing capabilities of your company. During the year company also completed an equity fund raising programme of Rs 100 crores, from Qualified Institutional Investors.

I am certain that in the coming years, we will be a global leader in the peptides arena. We are honored to have the shareholders of the company to be part of this exciting journey.

Warm regards

Venkat R. Kalavakolanu
Chairman & Managing Director

SECRETARIAL COMPLIANCE REPORT FOR THE YEAR ENDED MARCH 31, 2008

To
Jupiter Bioscience Limited
24, Kolhar, IDA,
Bidar, Karnataka – 585 401.

I have examined the registers, records, books and papers of **JUPITER BIOSCIENCE LIMITED** (the Company) as required to be maintained under the Companies Act, 1956 (the Act), the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company (requirements) for the year ended March 31, 2008. Based on my examination as well as information and explanation furnished by the Company to me and the records made available to me, I report that:

1. The Company is a Listed Public Company and has complied with all the requirements of the Listing Agreement and Company has paid the Listing Fees.
2. All the registers and other records required under the Act and the Rules made there under have been maintained in accordance with the requirements.
3. All the requisite forms, returns and documents required under the Act and the Rules made there under have been filed with the Registrar and other Authorities as per Statutory requirements.
4. All the requirements relating to the meetings of Board of Directors, Shareholders, Creditors and others (wherever applicable) as well as relating to the Minutes of the proceedings thereat have been complied with.
5. All the appointments of Directors and other Officers of the Company have been made in accordance with the requirements.
6. Due disclosures under the Act have been made by the Company and its Directors.
7. Certificates of the shares have been issued and delivered and transfers and transmissions thereof have been registered as per requirements.
8. Statutory requirements in connection with NSDL and CDSL has been complied with.
9. Requirements relating to declaration and payment of dividend have been complied with.
10. Particulars of creation, modification and satisfaction of charges conferring security on the Company's property or undertaking have been filed with the Registrar of Companies as per requirements.
11. Loans and Investments have been made by the Company in accordance with requirements.
12. All necessary approvals of Directors, Shareholders, Central Government and other Authorities (wherever applicable) as per requirements have been obtained.

Savita Jyoti
Company Secretary in Wholetime Practice
FCS No. 3738
E-86, Sainikpuri
Secunderabad - 500 094.

Secunderabad
August 29, 2008

Twenty Third Annual Report 2007-2008

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at 24, Kolhar, I.D.A., Bidar – 585 401, Karnataka, on Monday, September 29, 2008 at 10:30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2008 and Profit and Loss Account for the year ended as on that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend for the year.
3. To appoint a Director in place of Mr. K. N Guha who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. M. C. Srinivasan who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.

“RESOLVED THAT the retiring Auditors, M/s. A.G.V. Reddy and Co., who being eligible for re-appointment, be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Audit Committee of the Board of Directors to fix the remuneration of the said Auditors.”

SPECIAL BUSINESS

1. To consider and if thought fit, to pass with or without modification(s), the following resolution as special resolution:

“RESOLVED THAT pursuant to the provisions of Section 81(A) and other applicable provisions, if any, of the Companies Act, 1956, the relevant provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary from the SEBI, Government of India, lenders to the Company and appropriate authorities, bodies or agencies and subject to such conditions as may be prescribed by them while granting such approvals, consents, permissions and sanctions and subject to such conditions and

alterations which the Board of Directors of the Company (hereinafter referred to as the “Board”), may think fit to accept in the interest of the Company, the Board be and is hereby authorized to offer, issue and allot upto 7,50,000 Equity Shares for an aggregate nominal value not exceeding Rs.75,00,000 (Rupees Seventy Five Lakhs only), to be issued at a rate to be calculated as per the Guidelines issued by the SEBI in this regard, on preferential basis to promoters, on such terms and conditions and in such tranches as may be decided by the Board in its absolute discretion.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the Board be and is hereby authorized to determine as to the terms and conditions of the said offer, when to offer, the number and value of the Offer(s) in each tranche and utilization of the issue proceeds.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem fit, necessary or desirable, and pay any fees and commission and incur expenses in relation thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Managing Director or Director(s) or any other Officer(s) of the Company to give effect to the aforesaid Resolution.”

2. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT the consent of the Company be and is hereby accorded under the provisions of Section 293(1)(d) of the Companies Act, 1956, to the Board of Directors of the Company borrowing from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company notwithstanding that moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company

Jupiter Bioscience Limited

and its free reserves, that is to say, reserves not so set apart for any specific purpose provided that the total amount upto which moneys may be borrowed by the Board of Directors and outstanding at time shall not exceed the sum of Rs. 400 Crores.

RESOLVED FURTHER THAT the consent of the Company be and is hereby given in terms of Section 293(1)(a) and other applicable provisions if any of the Companies Act, 1956 to the board of directors of the Company for the creation of the Mortgage/charge on the Company's immovable and movable properties, wheresoever situated, present and future, such charge to rank either pari-passu with or second subsequent, subservient and subordinate to all the Mortgages/charges created/to be created by the Company for all the existing and future borrowings and facilities whatsoever in favour of the lender(s).

RESOLVED FURTHER THAT the Board of the Directors of the Company be and is hereby authorized to do and execute all such acts, deeds, and things as may be necessary for giving effect to the above resolution."

By Order of the Board
for **JUPITER BIOSCIENCE LIMITED**

Venkat R. Kalavakolanu
Chairman & Managing Director

Place : Bidar

Date : August 29, 2008

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of meeting.
2. Pursuant to clause of the Listing Agreement with stock exchanges, additional information related to directors recommended for appointment/re appointment at the Annual General Meeting appears in the Directors report and accounts.
3. Members/proxies should produce at the entrance of the venue duly filled attendance slip for attending the meeting.
4. The Register of Members and Transfer Books of the Company will remain closed from Wednesday, September 24, 2008 to Friday, September 26, 2008. (Both days inclusive).
5. The Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on or before October 28, 2008.
6. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
7. Members holding shares in physical form are requested to notify/send the following to the Company's Share Transfer Agents:
 - i. Any change in their address/mandate/ bank details.
 - ii. Particulars of their bank accounts in case the same have not been sent earlier; and
 - iii. Share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names for consolidation of such shareholdings into one account.

XL Softech Systems Limited
3, Sagar Society
Road No, 2, Banjara Hills
Hyderabad – 500 034.
8. Members holding shares in electronic form are advised that the address/bank details as furnished to the Company by the respective Depositories, namely NSDL and CDSL, will be printed on the dividend warrants. Members are requested to inform the concerned depository participants of any change in address, dividend mandate, etc.
9. Members holding shares in physical form and desirous of making a nomination in respect of their share holding in the Company, as permitted under section 109 A of the Companies Act, 1956, are requested to submit details to the transfer agents of the Company, in the prescribed form 2 B for this purpose.
10. Company's equity shares are listed on Bombay Stock Exchange Limited, P.J. Towers, Dalal Street, Mumbai – 400 001. The Company has paid the annual listing fee for the financial year 2008-2009 to the Exchange.

Twenty Third Annual Report 2007-2008

EXPLANATORY STATEMENT

(Pursuant to the provisions of Section 173(2) of the Companies Act, 1956)

ITEM NO. 1

1. The funds raised through the equity share subscribed by the promoters will be utilized by the Company /Subsidiary Companies for:
(a) Research and Development programme related primarily to Organic Chemistry and New Chemical Entities (b) Research and Development programme related primarily to Peptide Chemistry, Chiral Chemistry and Biotechnology (c) working capital (d) pursuing other business opportunities which may present themselves in the future.
2. The promoters will subscribe to Equity Shares not exceeding 7,50,000 on a firm allotment basis on such terms and conditions and at such price arrived as per SEBI Guidelines. The relevant date forming the basis for the price at which Equity Share will be allotted is 30th August, 2008.
3. The following person(s) will participate in the issue of preferential allotment of equity share.
4. The preferential Allotment will not result in any change in the management and control over the Company and there will not be any change in the compensation of its Board of Directors or voting rights.
5. The Equity Shares to be allotted shall rank pari-passu with the existing equity shares of the Company and allotment of equity shares will be completed within the stipulated time as per law.
6. The price at which the Equity Shares issued will be calculated as per SEBI Preferential offer guidelines.

This resolution is required to be passed under Section 81(1A) of Companies Act, 1956 and as per the SEBI Guidelines which requires the shareholders permission and your Board recommends for adoption of the same.

None of the Directors is, in any way, interested or concerned in the resolution, except to the extent of number of shares that may be subscribed by them.

ITEM NO. 2

Under Section 293(1)(d) of the Companies Act, 1956, the Board is required to take the permission of the Shareholders to borrow monies in excess of paid-up capital and free reserves of the Company. Although your Company desires to fund its requirements through internal earnings, in view of its entry into expansion cum diversification, for taking up new product lines and possibilities of future growth, the Company would like to keep open its options of adopting the debt route to fund its future plans. This resolution is put forth as an ordinary resolution for the consideration of the Shareholders.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company is in any way concerned or interested in the resolution.

By Order of the Board
for **JUPITER BIOSCIENCE LIMITED**

Venkat R. Kalavakolanu
Chairman & Managing Director

Place: Bidar
Date : August 29, 2008

Name of the Share Holder	Pre-Issue Holding	% to Equity Pre-Issue	Equity Shares proposed to be allotted on Preferential Basis	% to Equity
Venkat R. Kalavakolanu	1311500	8.53%	750000	12.78%

**ADDITIONAL INFORMATION ON DIRECTORS ELIGIBLE FOR
APPOINTMENT/RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING**

BRIEF RESUME OF MR. K.N. GUHA

Name : K.N. Guha

Age : 61 Years

Date of Birth : 24.03.1947

Educational

Qualifications : B.Sc., LL.B., C.A.IIB.,

Professional Experience

1. Corporate Finance (Debt and Equity Markets)
2. Business and Management Advisory
3. Project Finance
4. IPO Advisory
5. Visiting faculty to Bank Training Centres.

BRIEF RESUME OF DR. M.C. SRINIVASAN

Name : M.C. Srinivasan

Age : 73 Years

Date of Birth : 17.08.1935

Educational

Qualifications : M.A. (Botany),
Madras University, 1955
Ph.D. (Mycology & Plant
Pathology), University of
Pune, 1959

Research and Professional Experience

Over 45 years research experience in the study of Micro Organisms and their application for the discovery of novel metabolites and Industrial Enzymes.

Associated with the Biochemical Sciences Division for the National Chemical Laboratory, Pune for over 37 Years (since October , 1957) and retired in August, 1995 as Head, Microbial Technology and Biochemical Sciences Division.

As a CSIR Emeritus Scientist, worked in the National Chemical Laboratory from September, 1995 to August, 2000.

Specialisation in Mycology, Microbial Technology and Industrial Enzyme Technology and made significant contributions in the area of Microbial Biodiversity exploration and identification of novel Microbial strains for production of Industrial Enzymes with unusual properties.

Published/Patented studies on Microbial amylase, Fungal alkaline, Protease, Cellulase and Cellulase – Free xylanases from Alkalophilic bacteria, actinomycetes and fungi.

Author of over 60 publications in National and International Journals and also several process patents in Industrial Enzyme Technology (Indian and U.S.Patents)

Awards, Honours and Membership of Academies :

J.V.Bhat – Eureka Forbes Award for excellence in Microbiology (1990)

Elected to the prestigious Fellowship of the Indian National Science Academy (INSA), New Delhi (FNA) in 1995.

Nominated member of the World Federation of Culture Collections as a specialist member of the Endangered Culture Collections committee / participated by invitation and delivered lectures at International Conferences at Prague and USA.

Member of the Editorial Board of the World Journal of Microbiology and Biotechnology, U.K.

Member of the Advisory Committees of the Department of Science and Technology, Department of Biotechnology, Government of India as an expert member for project evaluation and recommendation for support.

Twenty Third Annual Report 2007-2008

DIRECTORS' REPORT

Dear Members

Your Directors have pleasure in presenting herewith the 23rd ANNUAL REPORT together with the Audited Statement of Accounts of the Company for the year ended March 31, 2008.

FINANCIAL HIGHLIGHTS

The Financial Results for the year ended March 31, 2008 are as under:

	<i>(Rupees in Lakhs)</i>	
	Year ended 31.03.2008	Year ended 31.03.2007
Sales	12980.71	10399.41
Other Income	125.90	11.57
Operating Profit (Before Interest and Depreciation)	5967.12	4545.12
Interest and pre-payment Premium	1096.92	681.13
Depreciation	1733.38	1316.75
Profit before Taxation	3136.82	2547.24
Provision for Taxation	354.37	760.63
Provision for Taxation (Earlier years)	(217.81)	-
MAT Credit Entitlement	(354.37)	-
Provision for Fringe Benefit Tax	9.09	4.63
Provision for Deferred Tax	641.89	(99.46)
Profit after Taxation	2703.64	1881.44
Appropriations:		
General Reserve	750.00	750.00
Dividend	362.67	221.89
Dividend Tax	61.64	31.07
Surplus Carried to Balance Sheet	8559.31	7029.97

During the year under review your company recorded a robust growth in sales. The Sales has risen by over 23.83 % and the Profit After

Taxation has gone up by 43.75 % as compared to the previous year. This was achieved due to all round improvement in all the businesses of the company. In FY 2007-08, the company was successful in winning a long term contract from Merck, Germany to supply peptide raw materials and intermediates manufactured by the company. This contract was won after a long process of validation of your company's technological capabilities and business processes by Merck compared to many other international players. The year also saw many leading pharmaceutical companies in Europe and USA sourcing their requirements from the company. During the year the company made significant investments in upgrading its quality assurance system to meet the expectations of these international customers. Significant investments were also made in all the manufacturing facilities to upgrade and modernize the facilities and equip them to handle the new products being manufactured by the company. Your company also upgraded the analytical facilities and R&D Infrastructure systems in line with the growth in business. Your company also undertook a major revamp in the unit which was acquired from Aurobindo Pharma Limited to make it suitable for manufacturing the peptide group of products of the company.

This unit has also been modernized to undertake manufacture of some of the generic bulk drugs which the company wants to manufacture from this facility in the coming year. During the year the company also stepped up efforts on all round training of employees in technical areas such as synthesis and purification of peptides and project management to satisfy the expectations of the customers in terms of quality, delivery schedule, and communication.

DIVIDEND

Your Directors have recommended dividend for the 9th year successfully after achieving a good growth in profit during the year.

Jupiter Bioscience Limited

Dividend of Rs 2.00 per Equity Share (20.00% on 1,81,33,470 Equity Shares of Rs.10/- each for the financial year 2007-2008. The dividend payout will aggregate to Rs.362.67 Lakhs and the dividend, if approved at the forthcoming Annual General Meeting, will be paid to all eligible equity shareholders.

TECHNOLOGY FOCUS OF THE COMPANY

The technology focus of the company has enabled the company to develop more than 400 products in its catalogue and establish a leadership position in the peptide business internationally. During the year the company continued its efforts on developing products based on its in-house R&D and was able to develop and commercially supply several products for the first time to many of its customers. In the peptide business the company has continued to strengthen its position in the solution phase peptide synthesis approach. The expertise in process development is being continuously refined to stay competitive.

During the year your company has also invested considerable resources in developing the processes for manufacture of generic peptide APIs. These APIs are quite complex to synthesize which is evident from the limited number of players in the API market. During the year the company progressed on optimizing the synthesis and purification processes for eight generic peptide drugs which it is targeting to launch in the coming years.

In the drug intermediates business the company has looked at novel approaches for synthesis with a major focus on bio-transformation or manufacture of many drug intermediates using a combination of chemical and enzymatic route.

INTERNATIONAL MARKETING AND SALES EFFORTS

Your company has been following the practice of participating in international trade shows to show case its products for the last several years which has been paying rich dividends. Some of

the international trade shows in which the company participated in the year under review are given in the table below. Some of the notable shows where the company participated includes the "Bio2007" which covers the latest development in the biopharmaceutical industry and provided your company an opportunity to interact with more than 1000 companies exhibiting their products. Another such event where your company participated was Chemspec Europe which covers the fine and speciality chemical industry and your company participated in this event to showcase its capabilities to the European customers. Your company also participated in 20th Symposium of the American Peptide Society which was held in Montreal, Canada and included participants covering leading peptide researchers from USA and Canada, peptide synthesis companies, peptide user industry and the manufacturers of equipment used in the peptide industry.

Name of the Exhibition	Date & Place
Bio 2007	Boston, USA May 6-9, 2007
20th American Peptide Symposium 2007	Montreal, Canada June 26-30, 2007
Chemspec Europe	Amsterdam, Netherland June 27-28, 2007
CPhi Worldwide, 2007	Milan, Italy October 2-4, 2007
44th Japanese Peptide Symposium	Toyoma, Japan November 7-9, 2007
International Conference on Coenzyme Q10	Kobe, Japan November 9-12, 2007
Informex 2008	New Orleans, USA Jan 29-Feb 1, 2008
CPhi Japan	Tokyo, Japan April 9-11, 2008
Chemspec India 2008	Mumbai, India April 9-10, 2008

Twenty Third Annual Report 2007-2008

BUSINESS OUTLOOK FOR COMING YEAR

World wide peptides are being increasingly used as targets for therapeutics, vaccines, diagnostics and drug delivery systems. The trend is on the increase because of the inherent limitations of the small molecules to handle the growing complexity of diseases. The company is therefore provided continuous challenges in synthesizing the peptide building blocks to support the drug development industry. In the coming year the company expects to launch some of the generic peptide APIs in the unregulated market barring any unforeseen delays in regulatory. Further the company will also consolidate its position in the custom peptide synthesis work especially through the solid phase synthesis route from the US facility. The company is also planning to manufacture some organic APIs in the coming year the processes for manufacturing the same are under development.

STATEMENT PURSUANT TO LISTING AGREEMENT

The Equity Shares of the Company are listed with The Bombay Stock Exchange Limited (BSE). Your Company has paid the respective Annual Listing Fees up-to-date.

SAFETY AND ENVIRONMENT PROTECTION

Your Company has been following strict environmental protection standards and ensured that employees' health and safety measures are maintained and monitored throughout the plant.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company's operations do not involve high consumption of energy. But the Company is taking all the necessary steps for the optimum utilization of energy. The necessary particulars to be furnished under 217(1)(e) of the Companies

Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are furnished in the annexure to this Report.

The particulars to be furnished with regard to Technology Absorption and Research and Development are given in the Annexure-1 to this Report.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company has earned Foreign Exchange of Rs.678.01 Lakhs on account of direct exports during the year 2007-2008. The Company has expended Rs.848.87 Lakhs in Foreign Exchange on account of Investment in Jupiter Bioscience Inc., U.S.A., International travel, imports of raw materials and on expenses related to business development during the year 2007-08. The Management has made an extensive survey of foreign markets for the Company's products and several orders are in pipeline and there will be substantial earnings in Foreign Exchange in the Current Year.

DIRECTORS

Mr. K. N. Guha retires by rotation in this Annual General Meeting and is eligible for re-appointment. Your Directors recommend his re-appointment.

Dr. M. C. Srinivasan retires by rotation in this Annual General Meeting and is eligible for re-appointment. Your Directors recommend his re-appointment.

AUDITORS

M/s. A.G.V. Reddy & Co., Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and is eligible for re-appointment. They have furnished a certificate pursuant to Sec 224(1) of the Companies Act, 1956 regarding their eligibility for re-appointment and your Directors recommended his re-appointment.

SUBSIDIARIES

100% Subsidiary of your Company Sven Genetech Limited during the year made rapid strides in synthesis of specialty peptides, launch of new formulations and development of its capabilities in the diagnostics and enzymes areas.

The company's subsidiary in USA, Jupiter Bioscience Inc. is gearing up for manufacture of custom peptides and generic peptide APIs by the solid phase peptide synthesis.

The results of the Subsidiary Companies are attached to this Report along with the statement pursuant to Section 212 of the Companies Act, 1956.

RESEARCH & DEVELOPMENT (R&D)

The company incurred an expenditure of Rs.822.12 Lakhs in 2007-08 on R& D. This expenditure was incurred in developing the cost effective route for synthesis of several new peptide building blocks and development of drug intermediates.

STRATEGIC INVESTMENT BY M/S. RANBAXY LABORATORIES LIMITED

Your company entered into a strategic partnership with M/s. Ranbaxy Laboratories Limited in the last financial year for selling peptide APIs and peptide formulations in the international market. Your company has allotted 31,75,000 equity share warrants on May 28, 2007, which shall be convertible into equity shares at Rs.147 per equity share. Your company has received 20% of the total consideration upfront in the year under review and the balance amount is payable within 18 months of allotment of warrants. M/s. Ranbaxy Laboratories Limited will hold 14.91% of the expanded equity share capital of the Company on conversion of these warrants.

PLACEMENT OF EQUITY SHARES TO QUALIFIED INSTITUTIONAL BUYERS

Your Company had raised an amount Rs.100 crores from the above category of investors in the last financial year by placing 65,21,470 Equity Shares of Rs.10/- each with a share premium of Rs.143/- per equity share which shall rank pari passu in all respects including dividend entitlement with the existing Equity Shares of the Company. The same has been utilized by the company for upgradation and modernization of facilities and investment in subsidiaries.

CONVERSION OF WARRANTS OF PROMOTERS

Equity shares allotted to Mr. Venkat R. Kalavakolanu, Chairman & Managing Director of the Company on account of conversion of Equity Share Warrants to the extent of 27,50,000 on 27.03.2007 and 12.04.2007 are cancelled as per Directions of Honorable High Court of Karnataka vide their order dated 12.06.2008.

INDUSTRIAL RELATIONS

Your Directors are pleased to inform you that the relations with employees including workmen at all levels continue to be warm and cordial. The Directors place on record their appreciation of the devoted services rendered by the employees.

PERSONNEL

The Board of Directors would like to place on record its deep appreciation for rendering impeccable services to every constituent of the Company by the employees at all levels. Industrial Relations continued to be cordial throughout the year at all locations.

Particulars of employees required to be furnished u/s 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are given in the annexure attached and forms part of the report.

Twenty Third Annual Report 2007-2008

DEPOSITS

The Company has not raised any deposits during the year under Section 58A of the Companies Act, 1956.

CORPORATE GOVERNANCE – Clause 49 of the Listing Agreement.

Your Company has complied with all the recommendations of the Corporate governance code as provided in Clause 49 of the Listing Agreement. The compliance report as recommended, is provided elsewhere in this Annual Report along with a Certificate of Compliance from the Auditors.

DIRECTORS' RESPONSIBILITY STATEMENT AS PER SECTION 217(2AA) OF THE COMPANIES ACT, 1956

In accordance with Section 217 (2AA) of the Companies Act, 1956 the Directors of the Company hereby state that :

- | That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- | That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- | That Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

- | That the Directors have prepared the accounts for the financial year ended March 31, 2008 on a 'going concern' basis.

ACKNOWLEDGEMENTS

Your Company wishes to place on record the strong support and interest from all the Shareholders in both retail and the institutional segment. Your Company wishes to place on record the appreciation of continued co-operation support and patronage received from all other stakeholders including government, bankers, suppliers and customers. Your Directors also wish to place on record their appreciation of the service rendered by all employees of the Company.

Cautionary note:

The statements forming part of the Directors report may contain certain forward looking remarks within the meaning of applicable securities laws and regulations. Many factors could cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements that may be expressed or implied by such forward looking statements.

By Order of the Board
for **JUPITER BIOSCIENCE LIMITED**

Venkat R. Kalavakolanu
Chairman & Managing Director

Place: Bidar

Date : August 29, 2008

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE-I
FORM – A: CONSERVATION OF ENERGY
(Form for disclosure of Particulars with respect to Conservation of Energy)

	2007-2008	2006-2007
1. Power & Fuel Consumption		
a. Electricity:		
Purchased Units	20,92,647	14,68,735
Total Amount (Rs. in lakhs)	71.15	46.27
Rate per Unit (Rs.)	3.40	3.15
b. Own generation through Diesel Generator		
Units	3,41,101	1,40,993
Total Amount (Rs. in lakhs)	18.59	7.64
Cost per Unit (Rs.)	5.45	5.42
c. Coal:		
Quantity in Tonnes	3,945	1,197
Total Cost (Rs. in lakhs)	94.68	27.41
d. Furnace Oil	—	—
e. Others	—	—
2. Consumption per unit of Production		
Electricity (Rs.)	38.78	26.99
Coal (Rs.)	40.92	13.73

FORM – B : RESEARCH AND DEVELOPMENT
(New product development and process development)

1. Specified areas in which R & D is carried out by the Company

- i. Development of cost effective processes for synthesis of new drug intermediates, speciality and fine chemicals and bulk drugs
- ii. Novel processes for the manufacture of peptide building blocks
- iii. Development of novel protecting reagents and coupling reagents for peptide synthesis

2. Benefits derived as a result of the above R & D

The entire product range and turnover of the company is a result of the R&D investments made by the company in developing these products. Thus the business growth and addition of products is derived from the investment made in R&D.

3. Future Plan of Action

- a. Research & Development on generic peptide APIs
- b. Research and Development on adding new peptide building blocks in the product portfolio.

Twenty Third Annual Report 2007-2008

Expenditure on R & D, Technology Absorption, Adaptation and Innovation

- a. Efforts in brief, made towards technology absorption, adaptation and innovation.

Technology involved in manufacturing products is completely in-house. Our R&D expenditure is primarily towards process innovation or process development aimed to evolve processes for manufacture of higher value added products. We have built a significant R&D infrastructure over the years and in the process established a long experience in process innovation and process improvement across wide range of technology platforms.

- b. Benefits derived as a Result of the above efforts

A large number of new products have been introduced by the company, with quality and at a cost which make it very competitive in the market place.

Research and Development Expenditure incurred during the year for Product and Process Development is Rs.822.12 Lakhs and the same is accounted as Revenue Expenses for the year.

FORM - C: FOREIGN EXCHANGE EARNINGS AND OUTGO

	Current Year 01.04.2007 to 31.03.2008 Rs. in Lakhs	Previous Year 01.04.2006 to 31.03.2007 Rs. in Lakhs
Foreign Exchange Earnings	678.01	351.66
Foreign Exchange Outgo	848.87	435.16
Net Foreign Exchange Earnings	-170.86	-83.50

FORM - D : ANNEXURE TO DIRECTORS' REPORT

Information pursuant to Section 217 (2A) of the Companies Act, 1956

Name	Age (Yrs)	Quali- fications	Desig- nation	Date of Commencement of employment	Experi- -ence (yrs.)	Gross Remuneration Rs.in Lakhs	Last Employ- -ment
Sri Venkat R. Kalavakolanu	46	B.Sc., MBA	Chairman and Managing Director	10.03.1992	21	36.00	Natco Pharmaceuticals, Hyderabad

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENT

Peptides in Therapeutics

There are currently thirty peptide generic drugs in market and six peptide drugs which are still under patent protection. If we look at the drug development pipeline it has more than 270 peptide based molecules which are in various clinical phases and nearly 400 molecules in the preclinical phase. Thus, that emerging drug development pipeline offers immense opportunities for the companies engaged in synthesis as these molecules progress in various phases of clinical development. The peptide therapeutic market was reported to be over 5 billion in 2007 and was expected to become 10 billion by the year 2011. Amylin Inc a company based out of USA has launched two peptide based diabetes drugs which together are contributing more than 0.6 billion in sales in the markets where they have been launched. Thus we can expect a double digit growth in the peptide therapeutics market.

With many companies developing peptides as therapeutic agents there are only a handful of companies which can synthesize these peptides on the large scale. There is a concentration of these manufacturing companies in Switzerland, USA and Belgium. There are number of custom peptide manufacturers across the world in many countries but there manufacturing is primarily limited to solid phase peptide synthesis which can deliver primarily small quantities for research scale development. However in the recent years the manufacturing industry is attempting to build equipment which can undertake larger quantities for synthesis and this development is bringing about a marked improvement in the availability of peptides at a lower cost. There is a large need for these drugs in the

un-regulated markets especially for segments such as oncology, AIDS, altered immune conditions, endocrine and metabolic disorders.

Peptides in Vaccines

The global vaccine industry has opened several opportunities for the peptides. The vaccine developers are looking at peptides as promising candidates for vaccine development for both human and veterinary applications. This is because specific immune response generated by the peptide vaccines. There are several peptides in various phases of clinical development and one peptide vaccine has entered the commercial market. This vaccine has been launched by Pfizer and is used for immuno castration of pigs and companion animals and marketed under the brand name Improvac. Some of the vaccines undergoing Phase III clinical trials include a vaccine for gastric cancer from Sanofi Pasteur and a vaccine for treatment of AIDS from Bionor Immuno a company based in Norway. The notable vaccines under development in Phase II include a vaccine for treatment of Allergy and a vaccine for Hepatitis C virus. If we look at the complete list of peptide vaccines under development for prevention and management of infectious diseases such as malaria, small pox and certain cancers and diseases of central nervous system such as Alzheimer's. Some of the reasons peptides as potential vaccines is as follows:

- | The ability to exclude deleterious sequences from full-length antigens or other pathogen-derived molecules.
- | Lipid, carbohydrate and phosphate groups can be readily introduced in a controlled manner to improve immunogenicity, stability and solubility.
- | Peptides are easily characterized and analysed for purity using well-established

Twenty Third Annual Report 2007-2008

analytical techniques such as liquid chromatography and mass spectrometry. This facilitates quality control and ultimately approval by the regulatory authorities.

- | The production of chemically defined peptides can be carried out economically on a large scale.
- | Peptide preparations can be stored freeze-dried, which avoids the need to maintain a 'cold-chain' facility in storage, transport and distribution.
- | There is no risk of reversion or formation of adverse reassortants that can lead to virulence, which is a potential problem with live attenuated vaccine preparations.
- | There is no risk of genetic integration or recombination, which is a problem facing regulatory authorities that are dealing with DNA vaccines.
- | Peptide-based vaccines can be designed to include multiple determinants from several pathogens, or multiple epitopes from the same pathogen.
- | The introduction of non-natural amino acids and peptide-like molecules into peptide-based vaccines allows the design of more drug-like compounds, which opens up avenues for vaccine delivery and rational drug design in vaccinology

Peptides as Biomarkers

A biomarker is defined as a characteristic that can be measured and evaluated as an indicator of normal biological processes or pharmacologic response to therapeutic intervention. Changes in Biomarker status could be detected and quantified in tissues and body fluids such as blood, urine etc. Biomarkers are excellent tools for clinical research and diagnostic use. Commonly used peptide Biomarker is procalcitonin which is used for detection of bacterial infection/sepsis, Brain Natruretic peptide is used for

diagnosis of cardiovascular diseases such as heart failure. Beta –amyloid peptide is a biomarker used in the detection of Alzheimer's disease. These biomarkers are generally assayed by conventional method such as immuno assays as well as by advanced techniques like LC/MS, PCR and micro-array etc.

Peptides as Drug Delivery Vehicle

Apart from as drugs and vaccines, peptides have been explored in formulations as drug delivery vehicles as well as targeting agents such as immuno toxins and radionucleides.

2. RESEARCH AND DEVELOPMENT

The company is currently consolidating its position in manufacture of peptide reagents and building blocks with a cost effective process which will facilitate to bring down the total cost of these drugs to the end user. The company is also developing processes for manufacture of generic peptide drugs which can be initially launched in the unregulated markets which have hitherto been untapped.

Advanced Organic Chemistry

The Advanced Organic Chemistry platform is directed towards process innovation and process development to arrive at cost effective processes for manufacture of advanced organic intermediates / penultimate intermediates and generic APIs where cost is the major driving force. Some of the processes where the capabilities are continuously enhanced are mentioned below:

- | Cyclization
- | Hydrogenation
- | Schiffs Base Reaction
- | N-Carboxy Anhydrides
- | High Pressure reaction

Peptide Chemistry

The Peptide Chemistry platform is directed towards developing competence across the complete value chain of peptides starting

from peptide building blocks for therapeutics, vaccine and diagnostics for wide range of diseases. Some of the processes were continuous efforts for enhancing the capabilities are included

- | Friedel crafts reaction
- | Esterification
- | Active esters
- | Mixed anhydrides
- | Chloro carbonation
- | Curtious

3. OPPORTUNITIES AND THREATS

With a well established experience in synthesis of peptide building blocks and having an integrated model for nearly a decade the company is poised to exploit the opportunities presented by the strong growth in the peptide user industry covering therapeutics, vaccines, diagnostics and drug delivery systems. Further the research based business model of the company is attracting global companies to outsource research and manufacturing to the company. Most of the international players in the peptide industry are having manufacturing operations in Europe and USA and your company with its primary manufacturing base in India is better equipped to handle the price pressures in the international market.

Growing demand for production and research outsourcing in the global pharmaceuticals industry

The implementation of the product patent regime in India has increased the confidence of the International Companies in outsourcing production and research in India. With our strengths in process development and manufacturing efficiencies we expect that there will be increase in our business from contract manufacturing.

International Marketing

Your company's sales have primarily been driven so far through indirect channels of

distributors and retailers in the past. We are making conscious efforts to improve our direct presence in some of the international markets. With the establishment of marketing offices in Europe and USA your company expects that it will be able further improve its business in these markets.

THREATS

Your Company's results of operations have been influenced and will continue to be influenced by the following key factors:

Cost of raw materials and other inputs

Raw materials constitute one of the significant cost elements in our business. Fluctuations in the price of the raw materials have a direct impact on our operations. To offset the impact of the increase in the price of raw materials the company has been continuously striving to go in for value added products.

Fluctuation in the Exchange rates

The fluctuation in the exchange rate of rupee against the major international currencies such as Euro, United States dollars and Japanese yen impacts the business of the company. The company has not taken any forward contracts in the past to hedge against the fluctuations in these currencies.

Expenditure on R&D

Process R&D is very important in our business not only to reverse engineer and develop new products but also compete with the competition. In the pharmaceutical sector there is continuous demand on reduction in manufacturing costs and processes. The R&D expenditure of the company has been incurred to meet these requirements and to develop new products.

Capital Expenditure

The products manufactured by the Company are quite complex in synthesis and require a large number of manufacturing steps. Because of the complexity of synthesis and the wide range of products the Company has

Twenty Third Annual Report 2007-2008

been incurring significant expenditure on capital equipment in the last few years.

Increasing employee compensation in India

Employee compensation has been on increase in India in all industrial sectors and more so in the R&D sector. This has impacted us in the past and will also have impact on our future operations.

4. PRODUCT-WISE OR CATEGORY WISE PERFORMANCE

Sales	Rs. in Lakhs
Peptides (Peptide Reagents & Amino Acids)	- 7407.53
Drug Intermediates	- 3201.60
Fine Chemicals	- 2371.58
Total	<u>12980.71</u>

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has adequate internal control procedures commensurate with its size and nature of the business. These business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and statutes. The internal control systems provide for well-documented policies, guidelines, authorisations and approval procedures. Your Company has professional firms on its internal Audit Panel, who carried objective of such audits is to test the adequacy and effectiveness of all internal controls laid down by the management and to suggest improvements. The top management every month and the Audit Committee of the Board periodically review the internal Auditors findings and recommendations.

6. HUMAN RESOURCES

Our Philosophy

Your Company attracts and retains qualified, productive and motivated employees. Our Human resource programs are based on the business philosophy and the operational strategy of the Company.

Commitment to Excellence

Your Company is committed to multi-skills development of its employees to enhance their performance. Your Company's endeavor is to provide projects which would facilitate the employees to take on a wide range of responsibilities and prepare them with skill sets in broad areas of operations.

Commitment to Innovation

Your Company encourage its employees to be innovative and would foster this spirit in all areas of operation particularly R&D.

Performance Measurement

Rewards and growth of employees will be based on completely on performance for which the goals will be clearly defined and agreed by the employees.

Training and Development

The Training & Development program is designed to provide sufficient training and counseling the employees to successfully perform their jobs and the goals set up for them. In addition your Company also arranges and supports its employees pursue further academic studies such as PhD programmes by post graduate employees.

Employee Communication

Employees will receive clear and timely communication on all work related issues.

Employee Relations

Employee relations continued to be quite satisfactory. Management never intends to have any bias towards its employees on the basis of race, sex, age and creed.

By Order of the Board
for **JUPITER BIOSCIENCE LIMITED**

Venkat R. Kalavakolanu
Chairman & Managing Director

Place: Bidar
Date : August 29, 2008

**REPORT ON CORPORATE GOVERNANCE
(Pursuant to Clause 49 of the Listing Agreement)**

1. Company's philosophy on code of Governance

"Your" Company philosophy of Corporate Governance envisages attainment of the highest level of transparency, accountability and equity in all its dealings with Shareholders, Employees, Government and Lenders and your Company believes that good Corporate Governance contemplates that corporate actions, balance the interests of all stakeholders and satisfy the tests of transparency, independence, accountability, responsibility, fairness and social responsibility.

2. Board of Directors

Composition of Board

Jupiter Board consists of three Non-Executive Directors, all of whom are also independent Directors viz., Mr. K.N. Guha, Mr. Rudolf H. Tanner, Dr. M. C. Srinivasan and Mr. Venkat R. Kalavakolanu, Chairman & Managing Director of the Company who is in whole time employment.

During the financial year 2007-2008, ELEVEN Board Meetings were held on the following dates :

- i. April 12, 2007
- ii. April 26, 2007
- iii. May 23, 2007

- iv. May 28, 2007
- v. July 28, 2007
- vi. August 31, 2007
- vii. October 31, 2007
- viii. November 14, 2007
- ix. December 24, 2007
- x. January 07, 2008
- xi. January 31, 2008

The attendance at Board Meetings held during Financial Year 2007 – 2008 and at the last AGM and number of other directorships and committee memberships / Chairmanships of Directors is given below:

3. Audit Committee

Composition, names of members and Chairperson

Audit Committee of your Company consists of two Non-Executive Independent Directors namely Mr. K.N. Guha, Dr. M. C. Srinivasan, and Venkat R. Kalavakolanu, Chairman & Managing Director of the Company. Mr. K.N. Guha is the Chairman of the Audit Committee Meetings.

The Audit Committee has been empowered to do all acts, to comply with the applicable provisions of the Listing Agreement and the Companies Act, 1956.

Terms of reference for the Audit Committee include:

Name of Director	Attendance particulars		No. of other Directorships held as on date	Committee Membership as on date (Including Jupiter)	
	Board Meetings	Last AGM		Member	Chairman
Venkat R. Kalavakolanu	11	Yes	2	3	1
K.N. Guha	10	Yes	2	3	2
Dr. M.C. Srinivasan	10	Yes	2	3	—
Rudolf H. Tanner	4	—	—	—	—

Twenty Third Annual Report 2007-2008

1. To oversee the Company's financial reporting process and disclosure of its financial information.
2. To recommend the appointment, re-appointment and removal of Statutory Auditors and fixation of the audit fee.
3. To recommend appointment, re-appointment, removal and fixation of remuneration of internal auditors.
4. To review and discuss with the Auditors about internal control systems, the scope of audit including observations of the Auditors, adequacy of the internal Audit function, major accounting policies, practices and entries, compliance with accounting standards and compliance with the stock exchange and legal requirements concerning financial statements and related party transactions, if any.
5. To review the Company's financial and risk management policies and discuss with the internal auditors any significant findings for follow-up thereon.
6. To review the financial statements before submission to the Board of Directors.
7. To ensure that adequate mechanism for prevention and detection of frauds is in place.
8. Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

Meetings and attendance during the year

The Committee met FIVE times during the year on April 26, 2007; July 28, 2007; August 31, 2007; October 31, 2007; January 31, 2008.

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. K.N. Guha	5	5
Dr. M.C. Srinivasan	5	5
Mr. Venkat R. Kalavakolanu	5	5

4. Remuneration Committee

The purpose of the Remuneration Committee of the Company shall be to discharge the Board's responsibilities relating to remuneration of the Company's Executive Directors. The committee has overall responsibility for approving and evaluating and recommending plans, policies and programs relating to remuneration of Executive Directors of the Company.

The Committee consists of Independent Directors and has met once during the year on October 31, 2007 and the attendance of each member of the Committee is given below:

Name	Designation	Committee Meeting Attended
Mr. K.N. Guha	Chairman	1
Dr. M.C. Srinivasan	Member	1
Mr. Rudolf H. Tanner	Member	1

Details of remuneration to Directors/

Executive Directors:

Name	Designation	Remuneration paid/ to be paid for the financial year 2007-2008 (Rs. in Lakhs)
Mr. Venkat R. Kalavakolanu	Chairman & Managing Director	36.00

Non-Executive Directors:

The Company does not pay any remuneration to Non-Executive Directors except sitting fees

Jupiter Bioscience Limited

for attending the meeting of the Board/ Committee and reimbursement of traveling and out of pocket expenses for attending such meetings. A sitting fees of Rs.2,500/- (Rupees Two thousand five hundred only) is paid for attending each Board/Committee Meeting.

5. Share Transfer and Shareholder / Investor Grievance Redressal Committee

1. Composition, name of members and Chairperson

The Committee comprises of Sri Venkat R. Kalavakolanu, Chairman & Managing Director, Dr. M.C. Srinivasan, Non-Executive Independent Director, and Mr. K.N. Guha, Non-Executive Independent Director.

The Committee met on 26.04.2007, 28.07.2007, 31.10.2007 and 31.01.2008. The Company received 321 queries from the investors during the year 2007-08, and all of them were replied/resolved to the satisfaction of the investors. There were no pending valid requisitions for transfers of shares as on March 31, 2008.

Name and designation of the Compliance Officer

Mr. P. Veerabhadra Rao, Vice President Finance

Investor Complaints received and resolved during the Year.

Nature of Complaint	2007-2008	
	Received	Cleared
a. Relating to Transfer, Transmission, Transposition, Dividend, Revalidation of Dividend Warrants, Change of Address & General	313	313
b. Others (Request for Annual Reports)	8	8

6. Annual General Meetings

The last three Annual General meetings were held as under:

Year	Date	Location	Time
2006-2007	27.09.07	At the Regd. Office of the Company	10.30 a.m.
2005-2006	29.09.06	At the Regd. Office of the Company	10.30 a.m.
2004-2005	30.09.05	At the Regd. Office of the Company	10.30 a.m.

No resolution was put through postal ballot in any of the General Meetings so far held by the Company.

None of the resolutions placed for shareholders' approval at this meeting require postal ballot either under section 192A of the Companies Act, 1956 or under clause 49 of the Listing Agreement.

7. Disclosures

The Company complied with all the regulations of the Stock Exchanges, Securities and Exchange Board of India and other Statutory bodies regulating the Capital Markets. No stretchers or penalties were imposed on the company. There are no transactions with related parties having potential conflict with the interest of the company at large. Other transactions are adequately disclosed in the notes to Annual accounts.

8. Means of Communication

The Quarterly, Half yearly and Annual results are regularly submitted to the Stock Exchange in accordance with the Listing Agreement and are published in the Indian Express/ Economic Times (in English) and Kannada Prabha/Uttara Karnataka (in Regional Language) dailies. These results are simultaneously posted on the Company's website – www.jupiterbioscience.com

Twenty Third Annual Report 2007-2008

SHAREHOLDERS' INFORMATION

Annual General Meeting

Date and Time : September 29, 2008 at 10.30 a.m.

Venue : At the Registered Office of the Company.

24, Kolhar, I.D.A, Bidar,
Karnataka - 585401.

Financial Calendar (2008-2009) : The following is the tentative financial calendar of the Company which is subject to change :

1st Quarter Results:
4th Week of July, 2008.

2nd Quarter Results:
4th Week of October, 2008.

3rd Quarter Results:
4th Week of January, 2009.

4th Quarter Results:
4th Week of April, 2009.

AGM for the year 2008-2009:
September 2009.

Date of Book Closure : 24th September to 26th September 2008 (both days inclusive)

Dividend Payment Date : On or before the 28th day of October 2008.

Listing on Stock Exchanges : The Stock Exchange, Mumbai
The Listing Fee for the year 2008-2009 has been paid to the above Stock Exchange

Stock Code : BSE Code: 524826

Demat ISIN : INE918B01013

Number in NSDL & CDSL for equity shares

Stock Market Data

Monthly closing share price of high and low quotations, traded in Bombay Stock Exchange Ltd., for the year 2007-2008.

Month	High (Rs.)	Low (Rs.)	Volume
April - 2007	169.50	138.50	4748643
May - 2007	188.45	153.05	5145430
June - 2007	220.00	162.10	5259818
July - 2007	242.35	192.10	5256256
Aug - 2007	214.00	166.00	1989624
Sept - 2007	194.80	170.40	1137491
Oct - 2007	183.00	151.00	1445840
Nov - 2007	184.70	149.10	1772273
Dec - 2007	204.00	158.85	5262219
Jan - 2008	215.00	117.75	2949249
Feb - 2008	193.50	113.75	1791220
Mar - 2008	174.75	109.05	2275416

Distribution of Shareholding as on March 31, 2008

Category From - To	No. of Share-holders	% of Hol-ders	No. of Shares	% of Shares
1 - 500	16,140	87.73	23,75,201	13.10
501 - 1000	1,144	6.22	9,35,985	5.16
1001 - 2000	554	3.01	8,72,438	4.81
2001 - 3000	207	1.13	5,36,432	2.96
3001 - 4000	97	0.53	3,53,424	1.95
4001 - 5000	79	0.43	3,75,988	2.07
5001 -10000	92	0.50	6,97,425	3.85
10001 and above	84	0.46	1,19,86,577	66.10
	18,397	100.00	1,81,33,470	100.00

Registrar & Share Transfer Agents:

XL Softech Systems Limited

3, Sagar Society
Road No. 2, Banjara Hills
Hyderabad - 500 034.

Share Transfer System

Share transfers in physical form are processed and returned to the shareholders within the stipulated time. Half-yearly Transfer Audit and Quarterly Secretarial Audit in terms of the Listing

Jupiter Bioscience Limited

Particulars of Dividend paid by the Company and transfer of unclaimed dividend to the Investor Education Fund.

Sl. No.	Year	Name of the Bank	% of Dividend	Amount Rs. in Lakhs	Mode of Payment	Due Date for Transfer
1.	1999-2000	HDFC Bank	10.00	88.62	Demand Draft	-
2.	2000-2001	Allahabad Bank	15.00	132.93	Demand Draft	-
3.	2001-2002	UTI Bank	16.50	146.22	Dividend Warrants	24.10.2009
4.	2002-2003	Global Trust Bank	18.00	159.52	Demand Draft	-
5.	2003-2004	Oriental Bank of Commerce	20.00	177.24	Dividend Warrants	25.10.2011
6.	2004-2005	Centurion Bank	22.50	199.39	Dividend Warrants	26.10.2012
7.	2005-2006	Centurion Bank of Punjab	25.00	221.55	Dividend Warrants	27.10.2013
8.	2006-2007	Centurion Bank of Punjab	22.50	221.89	Dividend Warrants	27.10.2014

Agreement are regularly carried out by an independent practicing Company Secretary.

The Share Transfer committee which meets weekly aims at ensuring registration and return of transferred shares promptly on receipt of completed documents.

Depository System / Demat of Shares

The equity shares of the Company are being traded in electronic form from 25.09.2000 as per SEBI circular. This facilitates faster and efficient Transfer System and also reduce investors risks of bad delivery / loss in transit of documents besides having the advantage of exemption from Stamp Duty. The total Subscribed and fully paid-up Equity Shares of the Company is 1,81,33,470 Shares of which over 84.81 of the shares are in Electronic Mode and the rest of the shares are in Physical form.

As per the directions of Securities and Exchange Board of India, trading in the company shares shall compulsorily be in dematerialized form by all classes of Investors and facilities for

dematerialisation are fully operational. The Company shares are regularly traded on BSE.

There are no outstanding GDRs / ADRs / Warrants or any Convertible instruments.

Works:

24, Kolhar, I.D.A, Bidar, Karnataka – 585401.

Sy. No. 111, Cheriya Village, Sangareddy Mandal, Medak District.

Survey No. 10 & 10/E2/A2, Gaddapotharam Village, Jinnaram Mandal, Medak Dist. A.P.

Address for Correspondence:

XL Softech Systems Limited, 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad-34. (or) The Compliance Officer,

Jupiter Bioscience Limited, 10-3-2/15,

Sripuri Colony, East Marredpally,

Secunderabad – 26. AP. Tel: 040-27730980

Your Company has a website by name www.jupiterbioscience.com

Venkat R. Kalavakolanu

Bidar Chairman & Managing Director
August 29, 2008

Declaration

As provided under clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, the Board members and the senior management personnel have confirmed compliance with the Code of Conduct for Board of Directors and senior management for the year ended March 31, 2008.

For Jupiter Bioscience Limited

Place: Bidar

Date: August 29, 2008

Venkat R. Kalavakolanu

Chairman & Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

CERTIFICATE

To
The Members of
JUPITER BIOSCIENCE LIMITED

I have examined the compliance of conditions of Corporate Governance by Jupiter Bioscience Limited, for the year ended on March 31, 2008, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and explanations given to me, I certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

I state that in respect of investor grievances received during the year ended March 31, 2008, no investor grievances are pending against the company for a period exceeding one month as per records maintained by the company which are presented to the shareholders/Investor Grievance Committee.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **A.G.V. Reddy & Co.,**
Chartered Accountants

CA A.G. Venugopal Reddy
Proprietor
Membership No. 022554

Place : Bidar (Camp)
Date : August 28, 2008

Twenty Third Annual Report 2007-2008

ANNEXURE TO THE AUDITORS' REPORT

Statement on the Companies (Auditor's Report) Order 2004.

Re : JUPITER BIOSCIENCE LIMITED.

Referred to in Paragraph 3 of our report of even date:

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of its Fixed Assets.
- b. According to the information and explanations given to us the Fixed Assets have been physically verified by the management during the year. In my opinion, the frequency of such physical verification is reasonable having regard to the size of the company and the nature of its Assets. No Material discrepancies were noticed on such verification as compared to the available records.
- c. During the year the company has not disposed off a substantial part of its Fixed Assets, reporting on the going concern status in this regard does not arise.
2. In respect of Inventories :
 - a. As explained to me, the inventories have been physically verified by the management at reasonable intervals during the year.
 - b. In my opinion and according to the information and explanations given to me, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of Company and the nature of the business.
 - c. The company has maintained proper records of inventory. As explained to me, there were no material discrepancies noticed on physical verification.
3. I am informed that the company has not taken/ granted any loans, secured or unsecured, from / to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 Sub Clauses (b) (c) and (d) of clause (iii) of paragraph 4 of the order are not applicable, as the company has not granted or taken any loans from such parties.
4. In my opinion, having regard to the explanation that certain items of inventory purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
5. To the best of my knowledge and belief and as explained to me the Company has not entered into any transactions required to be entered in the Register maintained under Section 301 of the Companies Act, 1956.
6. In my opinion, and according to the information and explanations given to me, the Company has complied with the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Rules framed there under and the directives issued by the Reserve Bank of India, where applicable, with regard to the deposits accepted from the public.
7. In my opinion, the Company has an internal Audit system commensurate with the size of the Company and nature of its business.
8. I have been informed by the management that no Cost records have been prescribed by the Central Government under Clause (d) of sub Section (1) of section 209 of the Companies Act, 1956 in respect of products manufactured by the company.
9. a. According to the records of the company, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor education and protection fund, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess, FBT and any other Statutory dues applicable to it with the appropriate authorities. There are

Jupiter Bioscience Limited

-
- arrears of Income tax of Rs.1017.48 Lakhs as at 31.03.2008 which are Outstanding for a period of more than six months from the date they become payable. Income Tax Assessments are completed upto the Assessment Year 2004-05.
- b. According to the information and explanations given to me, there are no dues of sales Tax, Customs Duty, Wealth Tax, Excise Duty, Service tax, Cess which have not been deposited on account of any dispute.
10. The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
11. Based on my audit procedures and on the information and explanations given by the management, I am of the opinion that the Company has not defaulted in payment of dues to financial institutions and banks. The Company does not have any borrowings by way of debentures.
12. According to the information and explanations given to me the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or a nidhi mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order 2003 is not applicable to the company.
14. The Company is not dealing or trading in Shares, Securities, Debentures and other Investments. Accordingly, the Provisions of Clause 4 (xiv) of the Companies (Auditors Report) Order 2003 are not applicable to the company.
15. According to the information and explanations given to me, the company has not given any guarantee for loans taken by others from bank or financial institutions except for its subsidiary company, Sven Genetech Limited, Secunderabad.
16. To the best of my knowledge and belief and according to the information and explanations given to me, term loan availed by the Company during the year was prima facie applied for the purpose for which it was obtained.
17. According to the information and explanations given to me, on an overall examination of the balance sheet of the company, I am of the opinion that there are no funds raised on short term basis, have prima facie, been used during the year for long term investment.
18. According to the information and explanations given to me, the Company has issued 17,50,000 equity shares on 12.04.2007 (conversion of equity share warrants into equity shares) to Mr.Venkat R.Kalavakolanu, promoter and present Chairman & Managing Director of the company. The company has allotted 27,50,000 equity share warrants to Mr.Venkat R.Kalavakolanu, promoter and present Chairman & Managing Director of the company on 13.10.2005. These Shares are yet to be listed on BSE as per the Listing Agreement with Bombay Stock Exchange Limited.
19. According to the information and explanations given to me, the Company has allotted 31,77,500 equity share warrants to M/s. RANBAXY LABORATORIES LIMITED on 23.05.2007 and received an amount of Rs.934.18 Lakhs towards subscription for the share warrants allotted.
20. According to the information and explanations given to me, the company has raised an amount of Rs.99.78 Crores during the financial year through private placement of equity shares under QIP Route by allotting 65,21,470 equity shares on 23.05.2007, These Shares are listed on Bombay Stock Exchange Limited on 04.10.2007.
21. The Company has not raised any money through a public issue during the year.
22. The company has not issued any secured debentures.
23. According to the information and explanations given to me, no fraud on or by the company has been noticed or reported during the year.
- for **A.G.V. Reddy & Co.,**
Chartered Accountants
CA A.G. Venugopal Reddy
Proprietor
Membership No. 022554
- Bidar (Camp)
August 28, 2008
-

Twenty Third Annual Report 2007-2008

BALANCE SHEET AS AT MARCH 31, 2008

Particulars	Schedule	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SOURCES OF FUNDS			
A. Shareholders' Funds			
Share Capital	1	181,334,700	98,620,000
Deposit against Share Warrants		93,418,500	221,304,884
Reserves & Surplus	2	2,742,986,748	1,344,483,332
B. Loan Funds			
Secured Loans	3	1,619,201,301	1,145,991,511
Unsecured Loans	4	214,136,210	435,835,507
C. Deferred Tax Liability		65,524,477	1,335,062
D. Sales Tax Deferment		70,254,274	70,254,274
Total		<u>4,986,856,210</u>	<u>3,317,824,570</u>
APPLICATION OF FUNDS			
A Fixed Assets:			
Gross Block	5	2,568,682,373	1,559,229,465
Less: Depreciation		648,471,109	475,133,350
Net Block of Fixed Assets		1,920,211,264	1,084,096,115
Capital Work-in-Progress		798,859,059	552,325,998
B. Investments	6	1,261,898,516	855,782,990
C. Current Assets, Loans & Advances			
a. Inventories	7	429,073,584	337,360,142
b. Sundry Debtors	8	327,495,543	254,380,464
c. Cash and Bank Balances	9	14,943,561	22,504,928
d. Loans and Advances	10	224,281,330	141,100,567
Gross Current Assets		995,794,018	755,346,101
Less: Current Liabilities & Provisions	11	211,378,481	187,439,310
Net Currents Assets		784,415,537	567,906,791
D. Miscellaneous Expenditure (to the extent not written off)	12	221,471,834	257,712,677
Total		<u>4,986,856,210</u>	<u>3,317,824,570</u>
Notes on Accounts	21		

Schedules '1' to '12' and '21' annexed form integral part of Balance Sheet

As per my report of even date attached

For and on behalf of the Board

For **A.G.V. Reddy & Co.**
Chartered Accountants

Venkat R. Kalavakolanu
Chairman & Managing Director

CA A.G. Venugopal Reddy

Proprietor
Membership No. 022554
Place : Bidar (Camp)
Date : August 28, 2008

K.N. Guha
Director

Jupiter Bioscience Limited

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

Particulars	Schedule	Year ended 31.03.2008 Rs.	Year ended 31.03.2007 Rs.
INCOME			
Sales	13	1,298,071,403	1,039,941,308
Other Income	14	<u>12,589,648</u>	<u>1,156,639</u>
Total		<u>1,310,661,051</u>	<u>1,041,097,947</u>
EXPENDITURE			
Consumption of Raw Material	15	515,988,803	488,866,518
Payments & Benefits to Employees	16	38,669,462	22,754,967
Financial Expenses	17	109,691,514	68,113,429
Other Expenses	18	104,076,029	68,860,013
Depreciation		173,337,759	131,675,033
Research and Development Expenses	19	82,211,994	41,331,428
Miscellaneous Expenses written off (Preliminary & Deferred revenue expenses)		<u>36,240,843</u>	<u>36,240,843</u>
		<u>1,060,216,404</u>	<u>857,842,231</u>
Increase in Stocks	20	<u>63,236,952</u>	<u>71,467,922</u>
		<u>996,979,452</u>	<u>786,374,309</u>
Profit for the year Before Taxation		<u>313,681,599</u>	<u>254,723,638</u>
Less: Provision for Taxation for the year		35,437,125	76,063,075
Provision for Taxation -Earlier years		(21,780,618)	0
MAT Credit Entitlement		(35,437,125)	0
Provision for Deferred Tax for the year		64,189,415	(9,946,390)
Provision for Fringe Benefit Tax		<u>909,089</u>	<u>463,383</u>
Profit After Tax		<u>270,363,713</u>	<u>188,143,570</u>
Surplus brought forward		<u>702,997,407</u>	<u>615,149,867</u>
Amount available for appropriation		<u>973,361,120</u>	<u>803,293,437</u>
APPROPRIATIONS			
Transferred to General Reserve		75,000,000	75,000,000
Proposed Dividend		36,266,940	22,189,500
Dividend Tax		6,163,566	3,106,530
Surplus Carried to Balance Sheet		<u>855,930,613</u>	<u>702,997,407</u>
Total		<u>973,361,120</u>	<u>803,293,437</u>
Earning Per Share (Face Value of Rs.10/-each)			
Basic		14.91	19.08
Diluted		13.91	19.06
Notes on Accounts	21		

Schedules '13' to '21' annexed form integral part of Profit & Loss Account

As per my report of even date attached

For and on behalf of the Board

For **A.G.V. Reddy & Co.**
Chartered Accountants

Venkat R. Kalavakolanu
Chairman & Managing Director

CA A.G. Venugopal Reddy
Proprietor
Membership No. 022554
Place : Bidar (Camp)
Date : August 28, 2008

K.N. Guha
Director

Twenty Third Annual Report 2007-2008

SCHEDULES TO BALANCE SHEET

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SCHEDULE 1: SHARE CAPITAL		
Authorised Share Capital (3,00,00,000 Equity Shares of Rs.10/- each)	<u>300,000,000</u>	<u>200,000,000</u>
Issued, Subscribed and Paid-up Capital (1,81,33,470 Equity Shares of Rs.10/- each fully paid-up in cash)	<u>181,334,700</u>	<u>98,620,000</u>
Total	<u>181,334,700</u>	<u>98,620,000</u>
SCHEDULE 2: RESERVES & SURPLUS		
General Reserve		
Balance brought forward	309,805,346	234,805,346
Transferred from Profit & Loss Account	<u>75,000,000</u>	<u>75,000,000</u>
	<u>384,805,346</u>	<u>309,805,346</u>
Central Subsidy	419,000	419,000
Investment Allowance Reserve	261,579	261,579
Share Premium	1,501,570,210	331,000,000
Surplus	<u>855,930,613</u>	<u>702,997,407</u>
Total	<u>2,742,986,748</u>	<u>1,344,483,332</u>
SCHEDULE 3: SECURED LOANS		
Working Capital Loans		
Industrial Development Bank of India	231,697,108	240,262,493
Karuar Vysya Bank	70,614,580	102,177,530
Punjab & Sind Bank	<u>45,301,314</u>	<u>0</u>
Total	<u>347,613,002</u>	<u>342,440,023</u>
Term/ Corporate / Short Term Loans		
United Bank of India	361,087,922	447,697,570
Development Loan from KIADB	251,000	251,000
Canara Bank	75,744,992	100,892,491
Canara Bank	29,681,992	42,984,121
Karuar Vysya Bank	35,301,607	61,196,206
State Bank of India	34,735,583	50,530,100
Development Bank of Singapore	100,000,000	100,000,000
State Bank of Travancore	197,102,357	0
Bank of Rajasthan	100,000,000	0
State Bank of Hyderabad	50,511,003	0
Allahabad Bank	100,944,889	0
Punjab & Sind Bank	91,023,940	0
Indian Bank	<u>95,203,014</u>	<u>0</u>
Total	<u>1,271,588,299</u>	<u>803,551,488</u>
Total Secured Loans	<u>1,619,201,301</u>	<u>1,145,991,511</u>
SCHEDULE 4: UNSECURED LOANS		
ICICI	17,553,454	15,919,274
KSIIDC	6,996,786	18,566,922
Bank of India	35,122,147	46,935,059
Canbank Factors Ltd	38,253,638	9,360,663
Barclays Bank	80,000,000	0
Other Unsecured Loans	<u>36,210,185</u>	<u>0</u>
HSBC	0	101,172,055
United Western Bank	0	50,446,537
Indusind Bank	0	42,107,542
Indian Overseas Bank	<u>0</u>	<u>151,327,455</u>
Total	<u>214,136,210</u>	<u>435,835,507</u>

SCHEDULE 5: FIXED ASSETS - DEPRECIATION

(Amount in Rupees)

Description of item	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
	Op. Balance as at 31.03.2007 Rs.	Additions to Assets Rs.	Total as at 31.03.2008 Rs.	Up to 31.03.2007 Rs.	For the Year Rs.	Total Rs.	As on 31.03.2008 Rs.	As on 31.03.2007 Rs.
Land	3,258,958	0	3,258,958	0	0	0	3,258,958	3,258,958
Buildings	68,937,010	16,707,935	85,644,945	8,412,558	2,240,809	10,653,366	74,991,579	60,524,452
Plant & Machinery	1,233,243,836	786,684,435	2,019,928,271	417,260,258	140,871,893	558,132,152	1,461,796,119	815,983,578
Furniture & Fixtures	3,378,155	60,458	3,438,613	1,164,119	215,699	1,379,817	2,058,796	2,214,036
Lab Equipment	175,465,314	117,160,099	292,625,413	28,352,590	21,277,451	49,630,041	242,995,372	147,112,724
Electrical Installation	65,027,813	84,932,508	149,960,321	15,346,676	7,671,986	23,018,661	126,941,660	49,681,137
Vehicles	2,135,328	3,112,533	5,247,861	651,168	279,297	930,465	4,317,396	1,484,160
Office Equipment	3,804,386	32,000	3,836,386	1,439,796	360,224	1,800,020	2,036,366	2,364,590
Computers	3,978,665	762,940	4,741,605	2,506,186	420,401	2,926,587	1,815,018	1,472,479
TOTAL	1,559,229,465	1,009,452,908	2,568,682,373	475,133,350	173,337,759	648,471,109	1,920,211,264	1,084,096,115

Twenty Third Annual Report 2007-2008

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SCHEDULE 6: INVESTMENTS		
Un-Quoted: (Non-trade, Long term, at cost)		
Investment in Subsidiary Company		
Sven Genetech Ltd.	1,193,574,464	812,294,123
Jupiter Bioscience Inc.	58,324,052	33,488,867
Quoted: (Long term at cost) (SBI Mutual Fund Units)	10,000,000	10,000,000
Total	<u>1,261,898,516</u>	<u>855,782,990</u>
SCHEDULE 7: INVENTORIES		
Raw Materials	138,120,354	111,290,414
Consumables	2,032,680	1,529,000
Packing Materials	1,841,300	1,781,450
Coal & Fuels	2,664,340	1,581,320
Finished Goods	145,468,260	113,120,481
Semi Finished goods	138,946,650	108,057,477
Total	<u>429,073,584</u>	<u>337,360,142</u>
SCHEDULE 8: SUNDRY DEBTORS		
(Unsecured and considered good)		
Outstanding for Less than Six Months	322,628,027	241,818,823
Outstanding for More than Six Months	4,867,516	12,561,640
Total	<u>327,495,543</u>	<u>254,380,464</u>
SCHEDULE 9: CASH AND BANK BALANCES		
Cash on hand	410,855	84,516
Balances with Scheduled Banks in Current Accounts	12,345,081	21,475,263
Fixed Deposit with Scheduled Bank (Including accrued interest)	2,187,625	945,149
Total	<u>14,943,561</u>	<u>22,504,928</u>

Jupiter Bioscience Limited

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SCHEDULE 10: LOANS & ADVANCES (Unsecured and Considered good)		
a. Deposits with Statutory Authorities:	40,450	40,450
b. Advances Recoverable in Cash or Kind or for Value to be received:		
Advances to Raw Material Suppliers	131,892,640	127,903,210
Other Advances	52,397,720	9,409,908
Other Deposits	4,513,395	3,746,999
Mat Credit entitlement/Pre Paid Taxes	35,437,125	0
Total	<u>224,281,330</u>	<u>141,100,567</u>
 SCHEDULE 11: CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities:		
Sundry Creditors	6,955,609	6,074,454
Other Creditors including Provisions for Expenses	23,897,657	19,949,150
B. Provisions:		
Provision for Dividend	36,266,940	22,189,500
Provision for Income Tax	137,185,619	135,208,962
Provision for Dividend Tax	6,163,566	3,106,530
Provision for Fringe Benefit Tax	909,089	910,714
Total	<u>211,378,481</u>	<u>187,439,310</u>
 SCHEDULE 12: MISCELLANEOUS EXPENDITURE (To the extent not written off)		
Research and Development Expenses	221,471,834	257,712,677
Total	<u>221,471,834</u>	<u>257,712,677</u>

Twenty Third Annual Report 2007-2008

SCHEDULES TO PROFIT & LOSS ACCOUNT

	Year ended 31.03.2008 Rs.	Year ended 31.03.2007 Rs.
SCHEDULE 13: SALES (GROSS)		
Peptide Reagents and Protected Amino Acids	740,753,363	545,810,152
Drug Intermediates	320,160,407	271,243,304
Speciality and Fine Chemicals	237,157,733	222,887,852
Total	<u>1,298,071,403</u>	<u>1,039,941,308</u>
SCHEDULE 14: OTHER INCOME		
Revenue from Custom Manufacturing	1,449,773	1,318,803
Dividend	1,250,782	0
Interest	7,425,789	33,671
Miscellaneous Income	2,463,304	(195,835)
Total	<u>12,589,648</u>	<u>1,156,639</u>
SCHEDULE 15: CONSUMPTION OF RAW MATERIAL		
Opening Stock	111,290,414	72,243,218
Add: Purchases during the year	<u>585,941,380</u>	<u>557,613,285</u>
	697,231,794	629,856,503
Less: Raw Material Consumed for Research	43,122,637	29,699,571
Less: Closing stock of Raw Material	138,120,354	111,290,414
RAW MATERIALS CONSUMED	<u>515,988,803</u>	<u>488,866,518</u>
SCHEDULE 16: PAYMENTS & BENEFITS TO EMPLOYEES		
Salaries, Wages, Bonus	34,585,976	19,117,735
Contribution to Provident Fund	2,535,916	2,246,401
Gratuity	751,758	599,631
Leave encashment	795,813	791,200
Total	<u>38,669,462</u>	<u>22,754,967</u>
SCHEDULE 17: INTEREST		
Interest on Secured Loans	93,885,193	57,283,977
Interest on Un-Secured Loans	15,806,321	10,829,452
Total	<u>109,691,514</u>	<u>68,113,429</u>

Jupiter Bioscience Limited

	Year ended 31.03.2008 Rs.	Year ended 31.03.2007 Rs.
SCHEDULE 18: MANUFACTURING, ADMINISTRATIVE & SELLING EXPENSES		
Stores & Consumables	14,674,107	8,670,641
Packing Material	4,862,519	4,911,031
Coal, Power & Fuel	18,442,249	8,131,559
Carriage Inwards	2,552,439	1,835,006
Repairs & Maintenance - Machinery	2,851,391	2,365,772
Effluent Treatment Charges	1,288,922	943,572
Insurance	2,822,840	2,628,954
Rent	903,189	534,914
Rates & Taxes	2,805,526	2,773,210
Travelling & Conveyance	7,758,393	4,580,568
Communication Expenses	2,535,954	2,541,651
Printing & Stationery	1,783,971	1,681,700
Business Development Expenses	5,195,561	8,493,417
Clearing & Forwarding Charges	11,370,426	3,805,425
Professional Charges	12,035,625	4,155,323
Directors' Remuneration	3,600,000	3,600,000
Electricity Charges	364,762	375,752
General Expenses	8,228,155	6,831,518
Total	<u>104,076,029</u>	<u>68,860,013</u>
SCHEDULE 19: RESEARCH AND DEVELOPMENT EXPENSES		
Raw Material Consumed	43,122,637	29,699,571
Financial expenses	11,893,210	1,911,080
Other expenses	27,196,147	9,720,777
Total	<u>82,211,994</u>	<u>41,331,428</u>
SCHEDULE 20: INCREASE IN STOCKS		
Closing Stocks:		
Finished Goods	145,468,260	113,120,481
Semi-finished Goods	138,946,650	108,057,477
Total A	<u>284,414,910</u>	<u>221,177,958</u>
Opening Stocks:		
Finished Goods	113,120,481	77,857,390
Semi-finished Goods	108,057,477	71,852,646
Total B	<u>221,177,958</u>	<u>149,710,036</u>
Increase in Stocks (A-B)	<u>63,236,952</u>	<u>71,467,922</u>

Twenty Third Annual Report 2007-2008

SCHEDULE 21: NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

I. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of financial statements:

The financial statements have been prepared under historical cost convention and in conformity with the generally accepted accounting principles, applicable provisions of the Companies Act, 1956 and as per the Accounting Standards issued by the Institute of Chartered Accountants of India.

b. Income and Expenditure:

All items of income and expenditure shown in the statement having material bearing on the accounts are accounted on accrual basis.

c. Fixed Assets:

Fixed Assets are stated at their original cost of acquisition, including taxes, freight and their incidental expenses incurred in connection with the erection/commission/construction of the said assets, less accumulated depreciation.

d. Depreciation:

Depreciation is computed on Straight Line method basis in accordance with the provision of Schedule XIV of the Companies Act, 1956.

e. Capital Work-in-Progress:

Includes advances given for capital goods and materials at site.

f. Investments:

Investments are stated at cost of acquisition and the same are considered as long term investments.

g. Sales:

Sales as reported are exclusive of Excise Duty, Sales Tax, Insurance and transport charges.

h. Inventories:

Raw materials, stores & spares, consumables and work-in-process are valued at cost. Finished goods are valued at cost or net realizable value whichever is lower.

i. Miscellaneous expenses (to the extent not written off) amounting to Rs. 2214.72 Lakhs relating to Research and Development and is considered as deferred revenue expenditure and Written off over a period of 10 years, out of which 10% is written off during financial the year 2007-2008 amounting to Rs. 362.41 Lakhs.

j. Foreign Exchange Transactions:

The transactions in foreign exchange are accounted at the exchange rate prevailing on the date of transaction. Any exchange gains or losses arising out of subsequent fluctuations are accounted for in the Profit and Loss account. Receivables and liabilities outstanding in foreign currencies are translated at the exchange rates prevailing as at close of the year.

k. Taxation: Tax expenses comprises of current taxes, fringe benefit tax. Provision for current Income taxes is made on the taxable income at the tax rate applicable to the relevant assessment year. Fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

The Company has made current tax provision for Minimum Alternate Tax (MAT) u/s 115JB of the Income Tax Act, 1961. As per the provisions of Section 115JAA, MAT. Credit receivable has been recognized on the basis of return of Income filled for the previous years and MAT

provided for the current year. MAT Credit is recognized as an asset to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. MAT Credit is recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India. The said asset is created by way of a credit to profit and loss account and shown as MAT Credit Entitlement. The Company will review the same at each Balance Sheet date and write down the carrying amount of MAT Credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

l. Deferred Income Tax:

The Company has accounted for Deferred Tax in accordance with the Accounting Standard-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

Deferred Tax resulting from timing differences between Book Profits and Tax Profits is accounted for at the current rates of tax to the extent the timing difference are expected to in case of deferred Tax Liabilities with reasonable certainty and in case of Deferred Tax Assets with virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realized.

The deferred Tax liability for the current year amounting to Rs.641.89 Lakhs is shown in the Profit and Loss account under provision for Deferred Tax. As at the year end, deferred Tax liability aggregates to Rs. 655.24 Lakhs.

m. Employee Benefits:

Provident Fund: The company makes contribution to Provident Fund administered by the Central Government under the Provident Fund Act, 1952.

n. Gratuity and Leave Encashment

The Company has created a Trust and has taken a Group Gratuity Life Assurance Policy with Birla Sunlife Insurance Company Limited for future payments of Gratuity to employees. The premium paid thereon on actuarial valuation is charged to the Profit and Loss account. The company has made in provision of Rs. 936251 towards leave encashment of the employees.

o. Contingent Liabilities are generally not provided for in the accounts and are shown separately if any in the notes on accounts.

Twenty Third Annual Report 2007-2008

II. NOTES TO THE ACCOUNTS

Notes to the accounts forming part of Balance Sheet as on **March 31, 2008** and Profit & Loss account for the year ended on that date.

1. Secured Loans

Term Loan:

Term Loan availed from United Bank of India, Hyderabad is fully secured by the first charge on Fixed assets and Current assets of the Unit I and Unit 2 of The Company and also guaranteed by the Chairman and Managing Director of the Company.

Term Loan availed from Canara Bank, Hyderabad is fully secured by the first charge on Fixed Assets of the Unit – III of the Company and also guaranteed by the Chairman and Managing Director of the Company.

Other Corporate and Short Term Loans are secured by the Second Paripassu and second charge on the Fixed Assets and Current Assets of the company and also guaranteed by the Chairman and Managing Director of the Company.

Working Capital Loans :

Working Capital Loans are secured by First Charge on Current Assets, Second Charge on Fixed Assets of the Company and also guaranteed by the Chairman and Managing Director of the Company.

2. Particulars of Managerial Remuneration paid/payable to Chairman and Managing Director:

	Current year Rs. in Lakhs	Previous year Rs. in Lakhs
Chairman & Managing Director	36.00	36.00
Other Allowances	0.60	0.60

3. Sales Tax deferment amounting to Rs.702.54 Lakhs has been transferred to the company on account of acquisition of manufacturing unit from M/s. Aurobindo Pharma Limited.

4. Debtors, Creditors, loans, advances and deposits are subject to confirmation and reconciliation.

5. Borrowing Cost : (AS 16) The amount of borrowing cost capitalized during the year is Rs.1134.77 Lakhs and the borrowing cost charged to revenue expenses is Rs.1215.85 Lakhs.

6. Segment Reporting (AS 17)

Primary Segment

- The Company is primarily engaged in the business of manufacturing of Drug intermediates, Specialty and Fine Chemicals. Since inherently these activities are integrated and governed by the same set of risks and returns and operating in the same economic environment, these have been grouped as a single segment in the financial statements. The said treatment is in accordance with the Accounting Standard (AS) – 17 on “ Segment Reporting “.

Secondary Segment

- Geographical Segment has been identified as Secondary Segment based on Segment revenue.

Jupiter Bioscience Limited

Domestic Sales and Third Party Rupee Exports (Rs. in Lakhs)

Rupee Sales	:	Rs. 12,302.71
Export Sales		
Belgium	:	Rs. 0.55
France	:	Rs. 2.25
Germany	:	Rs. 39.54
Hongkong	:	Rs. 0.26
Italy	:	Rs. 0.17
Japan	:	Rs. 1.26
Pakistan	:	Rs. 81.24
Switzerland	:	Rs. 99.44
The Netherlands	:	Rs. 0.52
U.S.A.	:	Rs. 452.77
Total Sales	:	<u>Rs. 12,980.71</u>

b. All the fixed assets are located in India and are as detailed in Schedule 5.

7. a. Related party Disclosures : (AS 18)
- Name of the related Company : Sven Genetech Limited
- Description of the relationship : Sven Genetech Limited is a 100% subsidiary company of JUPITER BIOSCIENCE LIMITED. The directors of Jupiter Bioscience Limited are the Directors of SVEN GENETECH LIMITED and no managerial remuneration is paid to the directors of the Company.
- Any other elements of the related party transactions : There are no inter company business transactions with SVEN GENETECH LTD.
- The amounts or appropriate Proportions of outstanding items pertaining to related parties at the Balance Sheet date. : The Company is the holding company of SVEN GENETECH LTD., and invested an amount of Rs.11935.74 Lakhs in the form of Share Capital/Share Applications money.
- Provisions for doubtful debts due from such parties at that date and amounts written off or written back in the period in respect of debts due from or to related parties. : NIL
8. b. Related party Disclosures : (AS 18)
- Name of the related Company : Jupiter Bioscience Inc.
- Description of the relationship : Jupiter Bioscience Inc. is a 100% subsidiary company of JUPITER BIOSCIENCE LIMITED.
-

Twenty Third Annual Report 2007-2008

		The directors of Jupiter Bioscience Limited are the Directors of Jupiter Bioscience Inc. and no managerial remuneration is paid to the director's of the Company.
Any other elements of the related party transactions	:	There are no inter company business transactions with Jupiter Bioscience Inc.
The amounts or appropriate Proportions of outstanding items pertaining to related parties at the Balance Sheet date	:	The Company is the holding company of Jupiter Bioscience Inc. and invested an amount of Rs. 583.24 Lakhs in the form of Share Capital /Share Applications money.
Provisions for doubtful debts due from such parties at that date and amounts written off or written back in the period in respect of debts due from or to related parties.	:	NIL.
8. Leases (AS-19)	:	During the year the Company has not taken or given any asset on lease.
9. Earning Per Share (AS-20)	:	
a. Net Profit after Tax	:	Rs. 2703.64 Lakhs
b. Equity Shares of Rs.10/- Each	:	1,81,33,470 Shares
c. Basic Earnings Per Share (a/b) in Rupees	:	14.91
d. Diluted Earnings Per Share	:	13.91
10. Consequent to the issuance of Accounting Standard – 22 Accounting for Taxes on Income by the ICAI which is mandatory in nature, the Company has recognized Deferred Taxes which result from the timing difference between the Book Profits and Tax profits consequently, as required by the Standard the Company has recognized the deferred tax balance that would have accumulated prior to adopting the standard, if the standard had been in effect from the beginning.		
		The Deferred Tax Liability for the Current Year amounting to Rs. 641.89 Lakhs is shown in Profit and Loss Account under Provision for Deferred Tax.
		The break up of deferred tax liability is as under:
		As at 31.03.2008 As at 31.03.2007
Difference between Book and Tax Depreciation		Rs.1927.76 Lakhs Rs.686.74 Lakhs
Deferred Tax Liability thereon		Rs.655.24 Lakhs Rs.231.16 Lakhs
11. The investment in Sven Genetech Limited and Jupiter Bioscience Inc. represents Share Capital/ Share Application Money Deposit.		
12. During the year the Company has allotted 17,50,000 equity shares (conversion of equity share warrants into equity shares) to Mr. Venkat R. Kalavakolanu, promoter and present Chairman & Managing Director of the company. These Shares are yet to be listed on BSE.		
13. The Company has allotted 31,77,500 equity share warrants to M/s. RANBAXY LABORATORIES LIMITED on 23.05.2007 and received an amount of Rs.934.18 Lakhs towards subscription for the share warrants allotted.		

Jupiter Bioscience Limited

Funds raised through the equity shares warrants subscribed by the promoters utilized by the Company / Subsidiary Companies for : (a) Research and Development Programme related primarily to Organic Chemistry and New Chemical Entities (b) Research and Development programme related primarily to Peptide Chemistry, Chiral Chemistry and Biotechnology (c) Working Capital (d) pursuing other business opportunities which may present themselves in the future.

Funds raised through the equity shares warrants subscribed by M/s.RANBAXY LABORATORIES LIMITED utilized by the Company for the purpose of expansion of the peptide business of the company for the developed markets.

14. During the financial year the Company has raised an amount of Rs.99.78 Crores through private placement of equity shares under QIP Route by allotting 65,21,470 equity shares on 23.05.2007 to the Investors. These Shares are listed on Bombay Stock Exchange Limited on 04.10.2007. The Company has not raised any money through a public issue during the year.

Funds raised through private placement of equity shares under QIP route are utilized by the company for upgradation & modernization of facilities, Investment in Subsidiaries, Short Term Working Capital Needs and Part retirement of Debt.

15. Equity shares allotted to Mr. Venkat R. Kalavakolanu, Chairman & Managing Director of the Company on account of conversion of Equity Share Warrants to the extent of 27,50,000 on 27.03.2007 and 12.04.2007 are cancelled as per Directions of Honorable High Court of Karnataka vide their order dated 12.06.2008. On account of the cancellation of the said shares the share capital and share premium accounts will be reduced to the extent thereof.

16. Employee Benefits:

a. Defined contribution plans

The Company makes Provident Fund contribution to defined contribution retirement plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

- b. The Company makes annual contributions to the Employee's Group Gratuity Group Gratuity Life Assurance Policy with Birla Sunlife Insurance Company Limited, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary for service, payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service

Twenty Third Annual Report 2007-2008

The following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as at March 31, 2008.

I. ASSUMPTIONS AS AT	Valuation date 31-03-2008
Mortality	LIC (1994-96) Ult
Discount Rate	7.50%
Rate of Increase in compensation	5.00%
Rate of nature (Expected) on plan assets	
Withdrawal Rates	Up to Age 44 : 2% 45 and above : 1%
II. CHANGES IN PRESENT VALUE OF OBLIGATIONS	
PVO at beginning of period	2,640,037
Interest Cost	198,003
Current service Cost	443,289
Benefits paid	-
Actuarial (gain)/loss on obligation	(198,002)
PVO at end of period	3,083,327
III. CHANGES IN FAIR VALUE OF PLAN ASSETS	
Fair value of plan assets at beginning of period	1,927,684
Expected return on plan assets	163,900
Contributions	-
Benefit Paid	-
Actuarial gain/(Loss) on plan assets	(157,859)
Fair value of plan assets at end of period	1,933,725
IV. FAIR VALUE OF PLAN ASSETS	
Fair value of plan assets at beginning of period	1,927,684
Actual Return on Plan Asset	6,041
Contributions	-
Benefit paid	-
Fair value of plan assets at end of period	1,933,725
Funded Status	(1,149,602)
Excess of actual over estimated return on Plan Assets	(157,859)
V. ACTUARIAL GAIN/(LOSS) RECOGNISED	
Actuarial gain/(Loss) for the period (obligations)	198,002
Actuarial gain/(Loss) for the period (plan assets)	(157,859)
Total gain/(loss) for the period	40,143
Actuarial gain/(loss) recognized for the period	40,143
Unrecognized actuarial gain/(loss) at end of period	-

Jupiter Bioscience Limited

	Valuation date 31-03-2008
VI. AMOUNTS TO BE RECOGNISED IN THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS ACCOUNT	
PVO at end of period	3,083,327
Fair value of plan assets at end of period	1,933,725
Funded status	(1,149,602)
Un recognized actuarial gain/(loss)	-
Net Asset / (Liability) recognized in the Balance Sheet	(1,149,602)
VII. EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT & LOSS ACCOUNT	
Current service cost	443,289
Interest cost	198,003
Expected return on plan assets	(153,900)
Net Actuarial gain/(loss) recognized for the period	(40,143)
Expense recognized in the statement of Profit & Loss account	437,249
VIII. MOVEMENTS IN THE LIABILITY RECOGNISED IN BALANCE SHEET	
Opening Net liability	712,353
Expenses as above	437,249
Contribution paid	-
Closing Net liability	1,149,602

Twenty Third Annual Report 2007-2008

The expected return on plan assets determined consulting several applicable factors mainly the compensation of the plan assets held, assesses risks of asset management, historical result of the return on plan assets and the Company's policy for plan asset management.

As the Accounting Standard-15 "Employee Benefits" applicable from April 1, 2007 Net Gratuity and Other costs for the year ended March 31, 2007 has not furnished.

17. Remuneration to Auditors :

Audit Fees	:	Rs.	60,000
Certification Fees	:	Rs.	20,000
Out of Pocket Expenses (Including Service Tax)	:	Rs.	20,000
Total		Rs.	<u>1,00,000</u>

18. The Company has no information as to whether any of its suppliers constitute small scale/ ancillary undertaking and therefore, the amounts due to such suppliers have not been identified and also there is no information as to whether any dues from suppliers covered under "The Micro, Small and Medium Enterprise Development Act, 2006 as at March 31, 2008.

19. The figures are adjusted to the nearest rupee.

20. Previous year's figures are regrouped / rearranged wherever necessary to make them comparable with the current year.

21. Accounting Standards prescribed by the Institute of Chartered accountants of India have been followed wherever applicable.

22. Details of Licensed Capacity, Installed Capacity and Actual Production:

i. Licensed Capacity : The activities of the Company are not covered under the present industrial licensing regulations and accordingly the Company is not required to get any industrial license.

ii. Installed Capacity and Actual Production :

(Qty. in Tonnes)

Product Group	As on 31.03.2008		As on 31.03.2007	
	Installed Capacity	Actual Production	Installed Capacity	Actual Production
Peptide Reagents & Protected Amino Acids	226	121.828	186	95.781
Drug Intermediates	126	58.714	106	51.492
Speciality & Fine Chemicals	120	50.873	120	52.404
	Year 2007-2008		Year 2006-2007	
	Qty. in Tonnes	Amount Rs. in Lakhs	Qty. in Tonnes	Amount Rs. in Lakhs
SALES :				
Peptide Reagents & Protected Amino Acids	120.067	7407.53	90.058	5458.10
Drugs Intermediates	57.667	3201.60	48.526	2712.43
Speciality & Fine Chemicals	50.423	2371.58	49.494	2228.88
Total	<u>228.157</u>	<u>12980.71</u>	<u>188.078</u>	<u>10399.41</u>

Jupiter Bioscience Limited

Raw Materials Consumed :

Total Raw Material Consumed	4473.334	5159.89	3663.167	4888.67
-----------------------------	-----------------	----------------	----------	---------

Major Raw Material Consumed

Name of the Raw Material	Qty.in Tonnes	Amount Rs. In Lakhs	Qty.in Tonnes	Amount Rs. In Lakhs
1,3 Cyclo Hexanedione	40.420	346.40	41.468	355.38
Succinic Anhydride	41.338	93.42	51.010	115.30
D.C.H.A.NHSU – Salt	16.883	294.26	11.470	199.92
Potassium Iodide	47.360	296.00	71.324	445.77
Resorcinol	77.898	388.23	56.592	307.43

	Year 2007-2008 Amount Rs. In Lakhs	Year 2006-2007 Amount Rs. In Lakhs
Stores & Spares (Consumables)	146.74	92.46
Packing Material	48.63	49.11
Coal	184.42	90.35
Earning in Foreign Exchange	678.01	351.66
Expenditure in Foreign Exchange	848.87	435.16

Signatures to Schedules “1” to “21”
As per my report of even date attached

For and on behalf of the Board

For **A.G.V. Reddy & Co.**
Chartered Accountants

Venkat R. Kalavakolanu
Chairman & Managing Director

CA A.G. Venugopal Reddy
Proprietor
Membership No. 022554

K.N. Guha
Director

Place : Bidar (Camp)
Date : August 28, 2008

Twenty Third Annual Report 2007-2008

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

1. Registration Details

Registration Number : 6726 of 1985
State Code : 08
Balance Sheet Date : 31.03.2008

2. **Capital Raised during the year** : Public Issue-Call Money Rights Issue
(Amount Rs. in Thousands) : NIL NIL
Bonus Issue Private Placement
NIL 82715

3. Position of mobilisation and deployment of funds

(Amount Rs. in Thousands)

Total Liabilities : 4,986,856 Total Assets : 4,986,856

Sources of Funds

Paid up Capital : 181,335 Reserves & Surplus : 2,742,987
Deposit against Share Warrants : 93,419 Secured Loans : 1,619,201
Unsecured Loans : 214,136 Deferred Tax : 65,524
Sales Tax deferment : 70,254

Application of Funds

Net Fixed Assets : 1,920,211 Capital Work in Progress : 798,859
Net Current Assets : 784,416 Misc. Expenditure : 221,472
Investments : 1,261,899 Accumulated Losses : NIL

4. Performance of the Company (Amount Rs. in Thousands)

Turnover : 1,310,661 Total Expenditure : 996,979
Profit before tax : 313,682 Profit after Tax : 270,364
Earnings per Share in Rs. : 14.91 Dividend Rate % : 20%

5. Generic Names of three Products of the Company :

Item Code (ITC Code)	Product Description
290721.77	4-Chloro Resorcinol
292249.09	ECCP Alanine
291823.09	Dibenzyl Glycyl Salicylamide
291249.04	3 4 5 Trimethoxy Benzaldehyde

For and on behalf of the Board

Venkat R. Kalavakolanu
Chairman & Managing Director

K.N. Guha
Director

Jupiter Bioscience Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

	2007-2008 Rs.	2006-2007 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	313,681,599	254,723,638
Adjustments for:		
Depreciation	173,337,759	131,675,033
Interest	109,691,514	68,113,429
Misc. Income	(2,463,304)	195,835
Dividend Received	(1,250,782)	0
Interest Received	(7,425,789)	(33,671)
Misc. Expenditure Written Off	36,240,843	36,240,843
Operating Profit Before Working Capital Changes	621,811,840	490,915,107
Adjustments for		
Trade and Other Receivables	(156,295,843)	(179,446,956)
Inventories	(91,713,442)	(112,472,488)
Trade Payables	88,128,586	32,971,749
Total Adjustments	(159,880,698)	(258,947,695)
Cash generated from Operations	461,931,141	231,967,412
Less: Tax Paid/Payable	35,437,125	76,063,075
Net Cash generated from Operations	<u>426,494,016</u>	<u>155,904,338</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	1,009,452,908	539,739,630
Investments	406,115,526	308,048,700
Capital Work In Progress	246,533,062	292,946,956
Misc. Income	(2,463,304)	195,835
Dividend Received	(1,250,782)	0
Interest Received	(7,425,789)	(33,671)
Miscellaneous Expenditure	0	0
Net Cash used in Investing Activities	<u>1,650,961,621</u>	<u>1,140,897,450</u>

Twenty Third Annual Report 2007-2008

	2007-2008	2006-2007
	Rs.	Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital	82,714,700	10,000,000
Share Warrant Deposit	(127,886,384)	179,895,084
Share Premium	1,170,570,210	136,000,000
Sales Tax Deferment	0	70,254,274
Long Term Loans	473,209,790	317,062,210
Unsecured Loans	(221,699,297)	367,069,211
Interest Paid	(109,691,514)	(68,113,429)
Dividend Paid/Payable	(36,266,940)	(22,189,500)
Dividend Tax Payable	(6,163,566)	(3,106,530)
Excess Provision of Tax in the earlier year	21,780,618	0
MAT Credit Entitlement	35,437,125	0
Deferred Tax	(64,189,415)	9,946,390
Fringe Benefit Tax	(909,089)	(463,383)
Net Cash used in Financing Activities	<u>1,216,906,238</u>	<u>996,354,327</u>
D. Net Increase/Decrease in Cash and Cash Equivalents	(7,561,367)	11,361,216
E. Cash and Cash Equivalents as on April 01, 2007	22,504,928	11,143,712
F. Cash and Cash Equivalents as on March 31, 2008	14,943,561	22,504,928

Notes:

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 (Revised) issued by the Institute of Chartered Accounts of India.
2. Previous year figures have been regrouped where necessary.

As per my report of even date attached

For and on behalf of the Board

For **A.G.V. Reddy & Co.**
Chartered Accountants

Venkat R. Kalavakolanu
Chairman & Managing Director

CA A.G. Venugopal Reddy
Proprietor
Membership No. 022554

K.N. Guha
Director

Place : Bidar (Camp)
Date : August 28, 2008

**CONSOLIDATED FINANCIAL STATEMENTS
OF
JUPITER BIOSCIENCE LIMITED**

Consolidated Balance Sheet 2007-2008

Auditors' Report on the Consolidated Financial Statements

The Board of Directors
Jupiter Bioscience Limited
Bidar.

I have examined the attached Consolidated Balance Sheet of Jupiter Bioscience Limited and its subsidiaries as at March 31, 2008 and the Consolidated Profit and Loss Account as well as the Cash Flow Statement for the year ended on that date.

These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with generally accepted auditing standards in India. These Standards require that I plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. I believe that my audit provides a reasonable basis for my opinion.

I did not audit the financial statements of Sven Genetech Limited and Jupiter Bioscience Inc, subsidiaries, whose financial statements reflect total assets of Rs. 141,93,02,761 as at March 31, 2008 and total revenues of Rs. 24,60,55,629 for the periods then ended. Financial statements of Sven Genetech Limited has been audited by other auditors and the financial statements of Jupiter Bioscience Inc., and whose reports have been furnished to me, and my opinion, insofar as it relates to the amounts included in respect of

the subsidiaries, is based solely on the reports of the other auditors.

I report that the consolidated financial statements have been prepared by the Company in accordance with the requirement of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Jupiter Bioscience Limited and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanations given to me and on the consideration of the separate audit reports on individual audit financial statements of Jupiter Bioscience Limited and its aforesaid subsidiaries, I am of the opinion that :

- a. the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Jupiter Bioscience Limited and its aforesaid subsidiaries as at March 31, 2008; and
- b. the Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Jupiter Bioscience Limited and its aforesaid subsidiaries for the period then ended.
- c. The Consolidated Cash Flow statement shows a true and fair view of the Consolidated Cash flows for the period ended on March 31, 2008.

For **A.G.V. Reddy & Co.**,
Chartered Accountants

CA A.G.Venugopal Reddy
Proprietor
Membership No. 022554

Place : Bidar (Camp)
Date : August 29, 2008

Jupiter Bioscience Limited

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2008

Particulars	Schedule	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SOURCES OF FUNDS			
A. Shareholders' Funds			
Share Capital	1	181,334,700	98,620,000
Deposit against Share Warrants		93,418,500	221,304,884
Reserves & Surplus	2	2,812,248,293	1,387,141,799
B. Loan Funds			
Secured Loans	3	1,709,235,758	1,130,900,700
Unsecured Loans	4	222,237,453	594,266,850
C. Deferred Tax Liability			
		65,524,477	1,335,062
D. Sales Tax Deferment			
		70,254,274	70,254,274
Total		<u>5,154,253,455</u>	<u>3,503,823,569</u>
APPLICATION OF FUNDS			
A Fixed Assets:			
Gross Block	5	3,218,011,353	2,019,689,515
Less: Depreciation		809,007,048	584,890,699
Net Block of Fixed Assets		2,409,004,305	1,434,798,816
Capital Work-in-Progress		1,231,126,478	806,934,250
B. Investments			
	6	10,000,000	10,000,000
C. Current Assets and Loans & Advances			
a. Inventories	7	488,494,138	387,031,793
b. Sundry Debtors	8	395,877,868	290,624,935
c. Cash and Bank Balances	9	23,857,701	24,759,613
d. Loans and Advances	10	248,878,390	161,574,267
Gross Current Assets		1,157,108,097	863,990,608
Less: Current Liabilities & Provisions	11	231,813,218	206,237,638
Net Current Assets		925,294,879	657,752,970
D. Miscellaneous Expenditure (to the extent not written off)			
	12	578,827,793	594,337,534
Total		<u>5,154,253,455</u>	<u>3,503,823,569</u>
Notes on Accounts	21		

Schedules '1' to '12' and '21' annexed form integral part of Balance Sheet

As per my report of even date attached

For and on behalf of the Board

For **A.G.V. Reddy & Co.**

Chartered Accountants

Venkat R. Kalavakolanu
Chairman & Managing Director

CA A.G. Venugopal Reddy

Proprietor

Membership No. 022554

Place : Bidar (Camp)

Date : August 29, 2008

K.N. Guha

Director

Consolidated Balance Sheet 2007-2008

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008			
Particulars	Schedule	Year ended 31.03.2008 Rs.	Year ended 31.03.2007 Rs.
INCOME			
Sales	13	1,544,092,981	1,212,968,952
Other Income	14	12,623,699	1,198,016
Total		<u>1,556,716,680</u>	<u>1,214,166,968</u>
EXPENDITURE			
Consumption of Raw Material	15	575,925,196	535,329,446
Payments & Benefits to Employees	16	60,513,912	44,045,474
Financial Expenses	17	127,083,447	81,465,817
Other Expenses	18	128,102,781	87,823,361
Depreciation		224,116,349	163,524,635
Research and Development expenses	19	132,464,041	82,809,123
Misc. Expenses written off (Preliminary & Deferred revenue expenses)		<u>36,240,843</u>	<u>36,240,843</u>
		1,284,446,569	1,031,238,699
Increase in Stocks	20	72,327,016	87,646,730
		<u>1,212,119,553</u>	<u>943,591,969</u>
PROFIT FOR THE YEAR BEFORE TAXATION		344,597,127	270,574,999
Less: Provision for Taxation for the Year		38,939,855	77,395,726
Provision for Taxation - Earlier Years		(21,780,618)	0
MAT Credit Entitlement		(35,437,125)	0
Provision for Deferred Tax for the year		64,189,415	(9,946,390)
Provision for Fringe Benefit Tax		1,321,282	838,491
PROFIT AFTER TAX		297,364,318	202,287,172
Excess Provision for Income Tax written Back		(445,872)	125,199
Excess Provision for FBT written Back		48,340	196,932
Surplus brought forward		745,655,877	643,342,601
Amount available for appropriation		<u>1,042,622,663</u>	<u>845,951,904</u>
APPROPRIATIONS			
Transferred to General Reserve		75,000,000	75,000,000
Proposed Dividend		36,266,940	22,189,500
Dividend Tax		6,163,566	3,106,530
Surplus Carried to Balance Sheet		925,192,156	745,655,874
Total		<u>1,042,622,663</u>	<u>845,951,904</u>
Earning Per Share (Face Value of Rs.10/-each)			
Basic		16.40	20.51
Diluted		15.30	20.49
Notes on Accounts	21		
Schedules '13' to '21' annexed form integral part of Profit & Loss Account			
As per my report of even date attached		For and on behalf of the Board	
For A.G.V. Reddy & Co.		Venkat R. Kalavakolanu	
Chartered Accountants		Chairman & Managing Director	
CA A.G. Venugopal Reddy			
Proprietor		K.N. Guha	
Membership No. 022554		Director	
Place : Bidar (Camp)			
Date : August 29, 2008			

Jupiter Bioscience Limited

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31.03.2008	As at 31.03.2007
	Rs.	Rs.
SCHEDULE 1: SHARE CAPITAL		
Authorised:		
3,00,00,000 Equity Shares of Rs.10/- each	<u>300,000,000</u>	<u>200,000,000</u>
Issued, Subscribed and Paid-up:		
1,81,33,470 Equity Shares of Rs.10/- each fully paid-up in cash	<u>181,334,700</u>	<u>98,620,000</u>
Total	<u>181,334,700</u>	<u>98,620,000</u>
SCHEDULE 2: RESERVES & SURPLUS		
General Reserve		
Balance brought forward	309,805,346	234,805,346
Transferred from Profit & Loss Account	<u>75,000,000</u>	<u>75,000,000</u>
	<u>384,805,346</u>	<u>309,805,346</u>
Central Subsidy	419,000	419,000
Investment Allowance Reserve	261,579	261,579
Share Premium	1,501,570,210	331,000,000
Surplus	<u>925,192,158</u>	<u>745,655,874</u>
Total	<u>2,812,248,293</u>	<u>1,387,141,799</u>
SCHEDULE 3: SECURED LOANS		
Working Capital Loans		
Industrial Development Bank of India	231,697,108	240,262,493
Karur Vysya Bank	70,614,580	102,177,530
Punjab & Sind Bank	<u>45,301,314</u>	<u>0</u>
Total	<u>347,613,002</u>	<u>342,440,023</u>
Term/Corporate/Short Term Loans		
United Bank of India	361,087,922	447,697,570
Development Loan from KIADB	251,000	251,000
Canara Bank	75,744,992	100,892,491
Canara Bank	29,681,992	42,984,121
Karur Bysya Bank - Term Loan	35,301,607	61,196,206
State Bank of India	34,735,583	50,530,100
Development Bank of Singapore	100,000,000	100,000,000
State Bank of Travancore	197,102,357	0
Bank of Rajasthan	100,000,000	0
State Bank of Hyderabad	50,511,003	0
Allahabad Bank	100,944,889	0
Punjab & Sind Bank	91,023,940	0
Indian Bank	95,203,014	0
Syndicate Bank	90,034,457	131,394,807
Development Credit Bank Ltd	-	4,044,482
Total	<u>1,361,622,756</u>	<u>938,990,777</u>
SCHEDULE 4: UNSECURED LOANS		
ICICI	17,553,454	15,919,274
KSIIDC	6,996,786	18,566,922
Bank of India	35,122,147	46,935,059
Canbank Factors Ltd	38,253,638	9,360,663
Barclays Bank	80,000,000	0
Other Unsecured Loans	42,311,428	6,101,243
Security Deposits from Distributors	2,000,000	1,800,000
HSBC	0	101,172,055
United Western Bank	0	50,446,537
Indusind Bank	0	42,107,542
Indian Overseas Bank	0	151,327,455
Total	<u>222,237,453</u>	<u>443,736,750</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE 5: FIXED ASSETS - DEPRECIATION

Description of item	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
	Op. Balance as at 31.03.2007 Rs.	Additions to Assets Rs.	Total as at 31.03.2008 Rs.	Up to 31.03.2007 Rs.	For the Year Rs.	Total Rs.	As on 31.03.2008 Rs.	As on 31.03.2007 Rs.
Land	12,123,170	0	12,123,170	0	0	0	12,123,170	12,123,170
Buildings	96,744,696	16,707,935	113,452,631	12,123,523	3,169,586	15,293,108	98,159,523	84,621,173
Plant & Machinery	1,653,302,052	975,274,395	2,628,576,447	522,217,046	190,360,737	712,577,784	1,915,998,663	1,131,085,006
Furniture & Fixtures	5,067,160	263,939	5,331,099	1,477,024	328,185	1,805,208	3,525,891	3,590,136
Lab Equipment	175,465,314	117,160,099	292,625,413	28,352,590	21,277,451	49,630,041	242,995,372	147,112,724
Elec. Installation	65,027,813	84,932,508	149,960,321	15,346,676	7,671,986	23,018,661	126,941,660	49,681,137
Vehicles	2,135,328	3,112,533	5,247,861	651,168	279,297	930,465	4,317,396	1,484,160
Office Equipment	4,950,748	32,000	4,982,748	1,815,638	478,758	2,294,396	2,688,352	3,135,110
Computers	4,873,234	838,429	5,711,663	2,907,035	550,350	34,57,385	2,254,278	1,966,199
TOTAL	2,019,689,515	1,198,321,838	3,218,011,353	584,890,699	224,116,349	809,007,048	2,409,004,305	1,434,798,816
Prev. Year's Total	1,377,004,113	642,685,402	2,019,689,515	421,366,064	163,524,635	584,890,699	1,434,798,816	955,638,049

Jupiter Bioscience Limited

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SCHEDULE 6: INVESTMENTS		
Quoted : (Long term at cost) (SBI Mutual Fund Units)	10,000,000	10,000,000
Total	<u>10,000,000</u>	<u>10,000,000</u>
SCHEDULE 7: INVENTORIES		
Raw Materials	152,916,572	125,509,024
Consumables	3,260,820	2,675,910
Packing Materials	1,841,300	1,781,450
Coal & Fuels	2,664,340	1,581,320
Finished Goods	168,188,604	131,064,994
Semi Finished goods	159,622,502	124,419,095
Total	<u>488,494,138</u>	<u>387,031,793</u>
SCHEDULE 8: SUNDRY DEBTORS (Unsecured and considered good)		
Outstanding for Less than Six Months	380,645,011	274,315,506
Outstanding for More than Six Months	15,232,857	16,309,428
Total	<u>395,877,868</u>	<u>290,624,934</u>
SCHEDULE 9: CASH AND BANK BALANCES		
Cash on hand	493,881	224,968
Balances with Scheduled Banks in Current Accounts	20,118,475	22,531,776
Fixed Deposit with Scheduled Banks (Including accrued interest)	3,245,345	2,002,869
Total	<u>23,857,701</u>	<u>24,759,613</u>

Consolidated Balance Sheet 2007-2008

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SCHEDULE 10: LOANS AND ADVANCES		
(Unsecured and Considered good)		
a. Deposits with Statutory Authorities:	40,450	40,450
b. Advances Recoverable in Cash or Kind or for Value to be received:		
Advances to Raw Material Suppliers	152,922,572	144,820,782
Other Advances	55,573,413	12,641,618
Other Deposits	4,852,868	4,068,472
MAT Credit entitlement/Pre Paid Taxes	35,437,125	0
Interest Receivable	49,017	0
T.D.S	2,945	2,945
Total	<u>248,878,390</u>	<u>161,574,267</u>
 SCHEDULE 11: CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities:		
Sundry Creditors	14,625,724	13,860,419
Other Creditors including Provision for Expenses	32,747,356	29,253,754
B. Provisions:		
Provision for Dividend	36,266,940	22,189,500
Provision for Income Tax	140,688,349	136,541,613
Provision for Dividend Tax	6,163,566	3,106,530
Provision for Fringe Benefit Tax	1,321,282	1,285,822
Total	<u>231,813,218</u>	<u>206,237,638</u>
 SCHEDULE 12: MISCELLANEOUS EXPENDITURE		
(To the extent not written off)		
Research and Development Expenses	578,827,793	594,337,534
Total	<u>578,827,793</u>	<u>594,337,534</u>

Jupiter Bioscience Limited

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	Year Ended 31.03.2008 Rs.	Year Ended 31.03.2007 Rs.
SCHEDULE 13: SALES (GROSS)		
Peptide Reagents and Protected Amino Acids	964,799,124	701,027,543
Drug Intermediates	320,160,407	271,243,304
Speciality and Fine Chemicals	237,157,733	222,887,852
Formulations	21,975,717	17,810,253
Total	<u>1,544,092,981</u>	<u>1,212,968,952</u>
SCHEDULE 14: OTHER INCOME		
Revenue from Custom Manufacturing	1,449,773	1,318,803
Dividend	1,250,782	0
Interest	7,484,513	71,261
Miscellaneous Income	2,438,631	(192,048)
Total	<u>12,623,699</u>	<u>1,198,016</u>
SCHEDULE 15: CONSUMPTION OF RAW MATERIAL		
Opening Stock	125,509,024	79,147,321
Add: Purchases during the year	<u>680,268,286</u>	<u>638,678,471</u>
	805,777,310	717,825,792
Less: Raw Material Consumed for Research	76,935,542	56,987,322
Less: Closing stock of Raw Material	<u>152,916,572</u>	<u>125,509,024</u>
Raw Material Consumed	<u>575,925,196</u>	<u>535,329,446</u>
SCHEDULE 16: PAYMENTS & BENEFITS TO EMPLOYEES		
Salaries, Wages, Bonus	54,910,547	39,036,336
Contribution to Provident Fund	4,055,795	3,618,307
Gratuity	751,758	599,631
Leave encashment	795,813	791,200
Total	<u>60,513,912</u>	<u>44,045,474</u>
SCHEDULE 17: INTEREST		
Interest on Secured Loans	109,969,146	68,300,502
Interest on Unsecured Loans	17,114,301	13,165,315
Total	<u>127,083,447</u>	<u>81,465,817</u>

Consolidated Balance Sheet 2007-2008

	Year ended 31.03.2008 Rs.	Year ended 31.03.2007 Rs.
SCHEDULE 18: MANUFACTURING, ADMINISTRATIVE & SELLING EXPENSES		
Stores & Consumables	19,330,338	12,389,385
Packing Material	4,862,519	4,911,031
Coal, Power & Fuel	20,376,127	9,770,973
Carriage Inwards	2,552,439	2,550,239
Repairs & Maintenance - Machinery	3,509,797	3,124,782
Effluent Treatment Charges	1,288,922	943,572
Insurance	3,275,700	3,285,713
Rent	1,121,889	673,414
Rates & Taxes	4,886,346	4,379,300
Travelling & Conveyance	9,729,586	7,296,305
Communication Expenses	3,139,165	3,116,960
Printing & Stationery	2,695,534	2,628,328
Business Development Expenses	7,918,306	10,454,873
Clearing & Forwarding Charges	12,181,738	3,805,425
Professional Charges	15,047,782	4,873,341
Directors' Remuneration	3,600,000	3,600,000
Electricity Charges	364,762	375,752
General Expenses	12,221,831	96,43,968
Total	<u>128,102,781</u>	<u>87,823,361</u>
SCHEDULE 19: RESEARCH AND DEVELOPMENT EXPENSES		
Raw Material Consumed	76,935,542	56,987,322
Financial expenses	11,893,210	1,911,080
Payment & Benefits to Employees	0	5,439,167
Other Expenses	43,635,289	18,471,554
Total	<u>132,464,041</u>	<u>82,809,123</u>
SCHEDULE 20: INCREASE IN STOCKS		
Closing Stocks :		
Finished Goods	168,188,604	131,064,994
Semi-finished Goods	159,622,501	124,419,095
Total A	<u>327,811,105</u>	<u>255,484,089</u>
Opening Stocks :		
Finished Goods	131,064,994	87,236,690
Semi-finished Goods	124,419,095	80,600,669
Total B	<u>255,484,089</u>	<u>167,837,359</u>
Increase in Stocks (A—B)	72,327,016	87,646,730

SCHEDULE: 21 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

I. SIGNIFICANT ACCOUNTING POLICIES

Description of Business

Jupiter Bioscience Limited and its consolidated subsidiaries are engaged in the business of manufacture of Peptide Group products, Drug intermediates, Speciality and Fine Chemicals.

a. Method of preparation of Accounts.

The Consolidated Financial statements of Jupiter Bioscience Limited and its subsidiaries have been prepared under the historic cost convention, in accordance with the generally accepted accounting principles, the provisions of the companies Act 1956, and the Accounting Standard 21 on consolidation of financial statements issued by the Institute of Chartered Accountants of India to the extent possible in the same format as that adopted by the parent company, Jupiter Bioscience Limited for its separate financial statements.

Revenue Recognition

The Company follows accrual system of accounting and recognizes income or expenditure on accrual basis except those with significant uncertainties.

b. Fixed Assets

Fixed Assets are stated at their original cost of acquisition, including taxes, freight and their incidental expenses incurred in connection with the erection/commission /construction of the said assets, less accumulated depreciation.

c. Depreciation

Depreciation is computed on Straight Line method basis in accordance with the provision of Schedule XIV of the Companies Act, 1956.

d. Capital Work-in-Progress

Includes advances given for capital goods and materials at site.

e. Investments

Investments are stated at cost of acquisition and the same are considered as long term investments.

f. Sales

Sales as reported are exclusive of Excise Duty, Sales Tax, Insurance and transport charges.

g. Inventories

Raw materials, stores & spares, consumables and work-in-process are valued at cost. Finished goods are valued at cost or net realizable value whichever is lower.

h. Miscellaneous expenses (to the extent not written off) amounting to Rs. 2214.72 Lakhs relating to Research and Development and is considered as deferred revenue expenditure and written off over a period of 10 years, out of which, 10% is written off during the year 2007-2008.

Sven Genetech Limited

a. Revenue Recognition:

Revenue is recognized where the goods are physically dispatched to the customers/ agents, supported by a proof of dispatch and certainty of realization.

b. Research & Development Expenditure

1. Expenditure on development of new products/processes is carried forward
 - i. To be amortised over a period of five years from the date of commercial exploitation, or
 - ii. To be written off in the year of sale/ transfer, in the event of the transfer of rights over such products/processes, or

Consolidated Balance Sheet 2007-2008

- iii. To be written off in the year in which such products/processes are determined as not commercially viable.
- 2. Preliminary Expenditure is to be written off over a period of five years.
- 3. Other Accounting policies will be formulated as and when the company commences operations.

i. Foreign Exchange Transactions

Transactions in foreign currencies are translated at the exchange rates prevailing on the dates of transactions and in case of purchase of materials and sale of goods, the exchange gains and losses on Foreign Exchange Transactions are recognized in the Profit and Loss Account.

- j.a. Taxation : Tax expenses comprises of current taxes, fringe benefit tax. Provision for current Income taxes is made on the taxable income at the tax rate applicable to the relevant assessment year. Fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

The Company has made current tax provision for Minimum Alternate Tax (MAT) u/s 115JB of the Income Tax Act, 1961. As per the provisions of Section 115JAA, MAT. Credit receivable has been recognized on the basis of return of Income filed for the previous years and MAT provided for the current year. MAT Credit is recognized as an asset to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. MAT Credit is recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India. The said asset is created by way of a credit to profit and loss account and shown as MAT Credit Entitlement. The Company will review the same at each Balance

Sheet date and write down the carrying amount of MAT Credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

- b. Provision for tax has been computed on the basis of Book Profits in accordance with Section 115 JB of the I.T. Act, 1961 for Sven Genetech Limited.

Deferred Tax: Deferred Tax resulting from timing differences between Book Profits and Tax Profits is accounted for at the current rates of tax to the extent the timing difference are expected to in case of deferred Tax Liabilities with reasonable certainty and in case of Deferred Tax Assets with virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realized.

In accordance with Accounting Standard on "Accounting for Taxes on Income (AS-22)" issued by the Institute of Chartered Accountants of India, no provision is required to be made for Deferred Tax as the Companies deferred tax liabilities are fully met by the losses and allowances under the provisions of Income Tax Act, 1961 and Deferred Tax asset is not recognized in the books of accounts of Sven Genetech Limited.

c. Employee Benefits

The company makes contribution to Provident Fund and ESI administered by the Central Government and State Government.

Gratuity & Leave encashment: The Company has created a Trust and has taken a Group Gratuity Life Assurance Policy with Birla Sunlife Insurance Company Limited for future payments of Gratuity to employees. The premium paid thereon on actuarial valuation is charged to the Profit and Loss account. The Company has made a provision of Rs.936,251/- towards leave encashment of the employees.

d. Secured Loans

Term Loan :

The Term Loan availed from The United Bank of India, Hyderabad is fully secured by the first charge on the fixed assets and current assets of the Company and also guaranteed by the Chairman & Managing Director of the Company.

Term Loan availed from Canara Bank, Hyderabad is fully secured by the first charge on Fixed Assets of the Unit-III of the Company and also guaranteed by the Chairman and Managing Director of the Company.

Other Corporate and Short Term Loans are secured by the Second Paripassu and second charge on the Fixed Assets and Current Assets of the company and also guaranteed by the Chairman and Managing Director of the Company

Working Capital Loans :

Working Capital Loans are secured by the First Charge on Current Assets, Second Charge on Fixed Assets of the Company and also guaranteed by the Chairman and Managing Director of the Company.

The Term Loans availed by Sven Genetech Limited from Syndicate Bank are secured by equitable mortgage of land and buildings and on hypothecation of plant and machinery

and other fixed and current assets of the company and the personal guarantee of the Chairman of the Company and also the Corporate Guarantee of Jupiter Bioscience Limited.

- k. Contingent Liabilities are generally not provided for in the accounts and are shown separately if any in the notes on accounts.

II. NOTES TO THE ACCOUNTS

Notes to the accounts forming part of Balance Sheet as on 31st March, 2008 and Profit & Loss account for the year ended on that date.

1. Debtors, Creditors, loans, advances and deposits are subject to confirmation and reconciliation.
2. Segment Reporting (AS 17)

Primary Segment

- a. The Company is primarily engaged in the business of manufacturing of Drug intermediates, Speciality and Fine Chemicals. Since inherently these activities are integrated and governed by the same set of risks and returns and operating in the same economic environment, these have been grouped as a single segment in the financial statements. The said treatment is in accordance with the Accounting Standard (AS) – 17 on “ Segment Reporting “.

Consolidated Balance Sheet 2007-2008

Secondary Segment

- a. Geographical Segment has been identified as Secondary Segment based on Segment revenue.

Domestic Sales, Direct Exports and Third Party Rupee Exports (Rs. in Lakhs):

Rupee Sales : Rs.14,734.61

Export Sales

Belgium : Rs. 0.55

France : Rs. 2.25

Germany : Rs. 39.54

Hongkong : Rs. 0.26

Italy : Rs. 0.17

Japan : Rs. 1.36

Pakistan : Rs. 81.24

Switzerland : Rs. 100.45

The Netherlands : Rs. 0.52

U.S.A. : Rs. 468.87

Sri Lanka : Rs. 4.11

Vietnam : Rs. 4.32

Ukraine : Rs. 2.68

Total Sales : Rs.15,440.93

- b. All the fixed assets are located in India and are as detailed in Schedule 5.

3. a. Related party Disclosures : (AS 18)

Name of the related Company : Sven Genetech Limited
 Description of the relationship between the parties : Sven Genetech Limited is a 100% subsidiary company of JUPITER BIOSCIENCE LIMITED. The directors of Jupiter Bioscience Limited are the Directors of SVEN GENETECH LIMITED and no managerial remuneration is paid to the directors of the Company.

Any other elements of the related party transactions : There are no inter company business transactions with SVEN GENETECH LTD.

The amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date : The Company is the holding company of Sven Genetech Limited, and invested an amount of Rs.11935.74 Lakhs in the form of Share Capital and Share Application Money.

Provisions for doubtful debts due from such parties at that date and amounts written off or written back in the period in respect of debts due from or to related parties : NIL.

- b. Related party Disclosures : (AS 18)

Name of the related Company : Jupiter Bioscience Inc.
 Description of the relationship between the parties : Jupiter Bioscience Inc. is a 100% subsidiary company of JUPITER BIOSCIENCE LIMITED. The directors of Jupiter Bioscience Limited are the Directors of JUPITER BIOSCIENCE INC. and no managerial remuneration is paid to the directors of the Company.

Jupiter Bioscience Limited

-
- Any other elements of the related party : There are no inter company business transactions with Jupiter Bioscience Inc.
- The amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date : The Company is the holding company of Jupiter Bioscience Inc. and invested an amount of Rs.334.89Lakhs in the form of Share Capital and Share Application Money.
- Provisions for doubtful debts due from such parties at that date and amounts written off or written back in the period in respect of debts due from or to related parties. : NIL
4. Earning Per Share (AS-20):
- a. Net Profit after Tax : Rs. 2973.64 Lakhs
- b. Equity Shares of Rs.10/- Each : 1,81,33,470 Shares
- c. Earnings Per Share (a/b) in Rupees : 16.40
5. Consequent to the issuance of Accounting Standard – 22 Accounting for Taxes on Income by the ICAI which is mandatory in nature, the Company has recognized Deferred Taxes which result from the timing difference between the Book Profits and Tax profits. Consequently, as required by the Standard the Company has recognized the deferred tax balance that would have accumulated prior to adopting the standard, if the standard had been in effect from the beginning. Deferred Tax Liability for the current year amounting to Rs. 641.89 Lakhs is shown in the Profit and Loss Account under provision for Deferred Tax. As at the year end, deferred tax liability aggregates to Rs. 655.24 Lakhs. No provision is required to be made for Deferred Tax as the Companies deferred tax liabilities are fully met by the losses and allowances under the provisions of Income Tax Act, 1961 and Deferred Tax asset is not recognized in the book of account for Sven Genetech Limited.
6. Sales Tax deferment amounting to Rs. 702.54 Lakhs has been transferred to the company on Account of acquisition of manufacturing unit from M/s Aurobindo Pharma Limited.
7. Preparation of Consolidated financial statements
Sven Genetech Limited and Jupiter Bioscience Inc., are the subsidiary Companies and considered for consolidation. The extent of share holding as on 31.03.2008 is 100%.
8. All the figures are adjusted to the nearest rupee.
9. Previous year's figures are regrouped/rearranged wherever necessary to make them comparable with the current year.
10. Consolidated Financial Statements are prepared in accordance with the guidelines given in Accounting Standard 21 issued by the Institute of Chartered Accountants of India only with respect to current period financial statements.
-

As per my report of even date
For **A.G.V. Reddy & Co.**
Chartered Accountants
CA A.G. Venugopal Reddy
Proprietor
Membership No. 022554
Place : Bidar (Camp)
Date : August 29, 2008

On behalf of the Board
Venkat R. Kalavakolanu
Chairman & Managing Director

K.N. Guha
Director

Consolidated Balance Sheet 2007-2008

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

	2007-2008	2006-2007
	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	344,597,127	270,574,999
Adjustments for :		
Depreciation	224,116,349	163,524,635
Interest	127,083,447	81,465,817
Misc. Income	(2,438,631)	192,048
Divident Received	(1,250,782)	0
Interest Received	(7,484,513)	(71,261)
Misc. Expenditure Written Off	36,240,843	36,240,843
Operating Profit Before Working Capital changes	<u>720,863,840</u>	<u>551,927,081</u>
Adjustments for :		
Trade and Other Receivables	(192,557,056)	(192,908,614)
Inventories	(101,462,341)	(136,599,873)
Trade Payables	89,764,995	32,552,930
Total Adjustments	<u>(204,254,402)</u>	<u>(296,955,557)</u>
Cash generated from Operations	516,609,437	254,971,524
Less: Tax Paid/Payable	38,939,855	77,395,726
Net Cash Generated from Operations	<u>477,669,582</u>	<u>177,575,799</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	1,198,321,838	642,685,402
Investments	0	0
Capital Work In Progress	424,192,228	390,644,128
Misc. Income	(2,438,631)	192,048
Devidend Received	(1,250,782)	0
Interest Received	(7,484,513)	(71,261)
Miscellaneous Expenditure	20,731,102	13,423,020
Net Cash used in Investing Activities	<u>1,632,071,242</u>	<u>1,046,873,336</u>

Jupiter Bioscience Limited

	2007-2008	2006-2007
	Rs.	Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital	82,714,700	10,000,000
Share Warrant Deposit	(127,886,384)	179,895,084
Share Premium	1,170,570,210	136,000,000
Sales Tax Deferment	0	70,254,274
Long Term Loans	578,335,058	263,278,080
Unsecured Loans	(372,029,397)	317,788,392
Interest Paid	(127,083,447)	(81,465,817)
Dividend Paid/Payable	(36,266,940)	(22,189,500)
Dividend Tax Payable	(6,163,566)	(3,106,530)
Excess Provisions Written back	21,780,618	322,131
Shot provision of Tax in the earlier year	(397,532)	0
MAT Credit Entitlement	35,437,125	0
Deferred Tax	(64,189,415)	9,946,390
Fringe Benefit Tax	(1,321,282)	(838,491)
Net Cash used in Financing Activities	<u>1,153,499,748</u>	<u>879,884,013</u>
D. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	(901,912)	10,586,476
E. CASH AND CASH EQUIVALENTS AS ON APRIL 01, 2007	24,759,613	14,173,138
F. CASH AND CASH EQUIVALENTS AS ON MARCH 31, 2008	23,857,701	24,759,613

Notes: 1. The above cash flow statement has been prepared under the "Indirect method" as set out in the Accounting Standard - 3 (Revised) issued by the Institute of Chartered Accountants of India.

2. Previous year figures have been regrouped where necessary.

As per my report of even date attached

For and on behalf of the Board

For **A.G.V. Reddy & Co.**
Chartered Accountants

Venkat R. Kalavakolanu
Chairman & Managing Director

CA A.G. Venugopal Reddy
Proprietor
Membership No. 022554

K.N. Guha
Director

Place : Bidar (Camp)
Date : August 29, 2008

Sven Genetech Limited

BOARD OF DIRECTORS

VENKATR. KALAVAKOLANU	<i>Chairman & Director</i>
K.N. GUHA	<i>Director</i>
Dr. M.C. SRINIVASAN	<i>Director</i>

AUDITORS

A. Vijay Kumar & Co.,
Chartered Accountants
Flat No. 206, Siri Towers
Besides Mythri Hospital
Ameerpet
Hyderabad - 500 038.

BANKERS

Syndicate Bank
Corporate Finance Branch
Somajiguda
Hyderabad - 500 082.

REGD. OFFICE

10-3-2/17, Sripuri Colony
East Marredpally
Secunderabad - 500 026.
Andhra Pradesh.

WORKS

Plot No.107
I.D.A., Phase II
Cherlapally
R.R.District
Hyderabad - 500 051.

NOTICE

Notice is hereby given that the Eighth Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at 10-3-2/17, Sripuri Colony, East Marredpally, Secunderabad – 500 026, on Monday, September 29, 2008 at 5:00 P.M. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2008 and Profit and Loss Account for the year ended as on that date and the Reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. K. N. Guha who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.

“RESOLVED THAT the retiring Auditors, M/s. A. Vijay Kumar & Co., Chartered Accountants who being eligible, for re-appointment be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be mutually agreed between Board of Directors of the Company and the Auditors, in addition to reimbursement of all out-of-pocket expenses in connection with the Audit of the Company.”

SPECIAL BUSINESS

1. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:
“RESOLVED THAT the consent of the Company be and is hereby accorded under the provisions of Section 293(1)(d) of the Companies Act, 1956, to the Board of Directors of the Company borrowing from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company notwithstanding that moneys to be borrowed

together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not so set apart for any specific purpose provided that the total amount upto which moneys may be borrowed by the Board of Directors and outstanding at time shall not exceed the sum of Rs.75 Crores.

RESOLVED FURTHER THAT the consent of the Company be and is hereby given in terms of Section 293(1)(a) and other applicable provisions if any of the Companies Act, 1956 to the board of directors of the Company for the creation of the Mortgage/charge on the Company's immovable and movable properties, wheresoever situated, present and future, such charge to rank either pari-passu with or second subsequent, subservient and subordinate to all the Mortgages/charges created/to be created by the Company for all the existing and future borrowings and facilities whatsoever in favour of the lender(s).
RESOLVED FURTHER THAT the Board of the Directors of the Company be and is hereby authorized to do and execute all such acts, deeds, and things as may be necessary for giving effect to the above resolution.”

By Order of the Board
For **Sven Genetech Limited**
Venkat R. Kalavakolanu
Chairman

Place : Secunderabad
Date : August 29, 2008

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective, must be received by the Company, not less than 48 hours before the commencement of the meeting.
2. An explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.

Eighth Annual Report 2007-2008

EXPLANATORY STATEMENT

(Pursuant to the provisions of Section 173(2) of the Companies Act, 1956)

ITEM NO. 1

Under Section 293(1)(d) of the Companies Act, 1956, the Board is required to take the permission of the Shareholders to borrow monies in excess of paid-up capital and free reserves of the Company. Although your Company desires to fund its requirements through internal earnings, in view of its entry into expansion cum diversification, for taking up new product lines and possibilities of future growth, the Company would like to keep open its options of adopting the debt route to fund its future plans. This resolution is put forth as an ordinary resolution for the consideration of the Shareholders.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company is in any way concerned or interested in the resolution.

ADDITIONAL INFORMATION ON DIRECTORS ELIGIBLE FOR APPOINTMENT/RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

BRIEF RESUME OF MR. K.N. GUHA

Name	:	K.N. GUHA
Age	:	61 Years
Date of Birth	:	24.03.1947
Educational	:	B.Sc., LL.B, C.A.IIB.
Professional Experience	:	1. Corporate Finance (Debt and Equity Markets) 2. Business and Management Advisory 3. Project Finance 4. IPO Advisory 5. Visiting faculty to Bank Training Centres

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting herewith the EIGHTH ANNUAL REPORT together with the Audited Statement of Accounts of the Company for the period ended March 31, 2008.

FINANCIAL HIGHLIGHTS

The Financial Results for the year ended March 31, 2008 are as under :

	<i>(Rupees in Lakhs)</i>	
	Year Ended 31.03.2008	Year Ended 31.03.2007
Sales	2460.22	1730.28
Other Income	0.34	0.41
Manufacturing, Administrative & Selling Expenses	2151.40	1572.18
Profit before Taxation	309.16	158.51
Provision for Taxation including FBT	39.15	17.08
Surplus carried to Balance Sheet	692.62	426.58

During the period under review your company recorded a substantial growth in sales and also improved the profitability in comparison to the last financial year. The growth in sales was 42.19 % while the growth in profitability was 90.89. The growth in sales and profitability was driven by all round improvement in the sales of special peptides and peptide derivatives as well as from the formulation business which launched some new products in the last financial year. Your company's business consists of research peptide APIs and precursors, un-natural amino acids and Beta amino acids and formulations. A brief overview on these businesses is provided below

RESEARCH PEPTIDE APIs and PRECURSORS

These are primarily required by the universities, research institutions, pharmaceutical companies and drug discovery companies

working on new peptide molecules for applications in therapeutics, vaccines, diagnostics, cosmeceuticals and nutraceuticals. Some of the products manufactured during this category include:

- ◆ Boc-Asp(OtBu)-Gly-OH
- ◆ Boc-Ser(Bzl)-Tyr-OBzl
- ◆ Boc-Ser-Tyr-OH
- ◆ Cyclo(-His-Pro)
- ◆ Fmoc-Gly-Gly-Gly-OH
- ◆ Fmoc-Asp(OtBu)-Ser(ψMe,MePro)-OH
- ◆ Fmoc-Asp(OtBu)-Ser-OH
- ◆ Fmoc-Gly-Ser(ψMe,MePro)-OH
- ◆ Fmoc-Gly-Ser-OH
- ◆ Fmoc-Phe-Ser(ψMe,MePro)-OH
- ◆ Fmoc-Pro-Pro-OH
- ◆ Fmoc-Ser(tBu)-Ser(ψMe,MePro)-OH
- ◆ Fmoc-Ser(tBu)-Ser-OH
- ◆ Fmoc-Val-Ser(ψMe,MePro)-OH

UNNATURAL AMINO ACIDS

Your company is one of the few international players manufacturing unnatural amino acids. Unnatural amino acids are amino acids which are generally not found in nature. Compared to the natural amino acids, un-natural amino acids offer several advantages as they are more potent and have enhanced rate of activity and stability. They are also not easily degraded and have longer duration of action. Thus today un-natural amino acids are being used as fillers or essential components of many drugs under development particularly antibiotics and peptide hormones. Your company has developed the technology for manufacturing these unnatural amino acids by the bio-catalytic route.

Your company is currently manufacturing the following unnatural amino acids:

- D- Arginine,
- D-Alanine,

Eighth Annual Report 2007-2008

D-Isoleucine,
D-valine,
D-Methionine
L- Allo Isoleucine
D – Tyrosine
D-Tryptophan
D-Tert leucine
3 Methoxy – L-Tyrosine

Beta Amino Acids

Your company is one of the few companies in the world which synthesizes these amino acids for the research institutions and industries working worldwide on new peptide antibiotics. Most of the infectious agents such as fungi and bacteria are developing resistance to presently available antibiotics. This has led to worldwide effort in development of new class of antibiotic drugs. Beta amino acids are one class of compounds which have attracted enormous attention worldwide as possible components for new generation of antibiotics.

Formulations

Your company is expanding its business in the finished dosage form and has developed and introduced several niche products in the domestic market and the neighbouring countries.

Leuprolide Acetate

This is mainly used in treatment of prostate cancers and in treatment of infertility. Leuprolide Acetate is available as a regular injection as well as one month and three month depot form. The current formulated dosage is 3.75 mg and 11.25 mg respectively. The depot formulation has been developed by the company and currently this product is being marketed in India. The company has plans to launch this product in other unregulated markets in a phased manner.

Peptide based anti ageing cream

Your company has launched an in-house developed anti-ageing peptide based cream.

This cream has been developed using a proprietary formulation. The ageing of skin is primarily due to depletion of a compound called collagen in the skin. The peptide used in the anti-ageing creams triggers the production of collagen resulting in reduction of wrinkles.

Peptide based hair growth gel

The loss of hair in men is linked with the production of testosterone. In conditions where there is excessive hair loss such as cancer, arthritis and other endocrine disorder patients this gel can stimulate the growth of hair. This is currently sold in gel form.

The peptide based anti-ageing cream and the hair growth gel has received very good response from the market.

Coenzyme Q10

Your company has launched this antioxidant in the domestic market and the neighboring regions. Coenzyme Q10 stimulates the immune system and protects the heart from damage caused by some chemotherapy drugs.

Imatinib

This a cytotoxic drug. Imatinib is used to treat certain types of leukemias (cancer that begins in the white blood cells). Imatinib is also used to treat gastrointestinal stromal tumors (GIST; a type of tumor that grows in the walls of the digestive passages and may spread to other parts of the body). Imatinib is also used to treat tumor that forms under the top layer of skin when the tumor cannot be removed surgically. Imatinib is in a class of medications called protein-tyrosine kinase inhibitors. It works by blocking the action of the abnormal protein that signals cancer cells to multiply. This helps stop the spread of cancer cells. Your company is marketing this in dosage of 100 mg capsules and 400 mg tablets.

FUTURE OUTLOOK AND NEW PRODUCTS

Future Outlook

Your company has identified several new areas for expanding the business of the company

which are promising and would not involve a long regulatory process for approval before launching commercially. The business areas and the products planned to be introduced is mentioned below:

1. Diagnostic Kits

The company leveraging its expertise on basic capability of manufacturing peptides entered into an application area of diagnostic kits based on peptides. The company has developed a diagnostic kit for detection of Hepatitis C Virus. This kit is based on synthetic peptide antigen manufactured by the company. During the year the company carried out development work related to improving the sensitivity and specificity of the kit to facilitate easier detection of the Hepatitis C virus. The kit is currently under evaluation in hospitals after which your company will launch it in the international market.

Your company has also identified another diagnostic kit for further development and commercialization. Your company has licensed the technology for manufacturing this kit from a USA based company "GI logics Inc". This diagnostic kit is used for detection of infections of Helicobacter Pylori an bacteria which infects the gastro intestine and leads to development of peptic and duodenal ulcer. The aggravated problem of these bacteria can also result in gastric cancer particularly populations in Eastern Asia comprising Japan, Korea and China. This kit has been evaluated till the preclinical stages by GI Logics and after that has been out licensed to your company to take it forward for conducting clinical trials and subsequent commercialization. Helicobacter pylori infection is very common across the world and it is reported that this bacteria infects nearly 50% of the world population. The currently available techniques are invasive and require removal of tissue from the infected area and then subjecting the tissue to cytological examination. The proposed kit in contrast operates on the

principle of analysis of blood samples of the patient for the presence of antibodies. This kit is used for detection of Helicobacter Pylori both before and after a therapeutic treatment to check if any bacteria are still remaining within the system. Currently the entire requirement of diagnostic kits for Helicobacter Pylori are being imported in the country. The proposed diagnostic kit will bring down the cost of diagnosis for a patient.

2. Formulations

The current therapeutic treatment of Helicobacter Pylori requires the use of drugs in the class known as proton pump inhibitors etc. The patient has to take multiple drugs have to be taken thrice daily and for a period of nearly two weeks for removing this bacteria. In contrast GI Logics has developed a single dose per day treatment for Helicobacter Pylori. The drug has been tested in the preclinical stage by GI Logics. Jupiter has to know undertaken clinical trails to see the efficacy of the drugs and then the drug can be launched in the market. The trials for the drug may take 12 -15 months and the approvals from the drug authorities another 3- 6 months before the drug enters the market.

Liposomal Amphotericin B

Liposomal Amphotericin B (L-AMB) is a lipid formulation of amphotericin B. As with the other lipid formulations, the major goal of developing L-AMB has been to attain a compound with lower toxicity and with at least similar efficacy compared to the parent compound, amphotericin B deoxycholate. Amphotericin B, also known as Fungizone or Amphocin, belongs to the class of medicines called antifungal antibiotics. Fungal infections occur more often in patients with weakened immune systems such as people suffering from AIDS, Cancer etc. Fungal infections occur mostly in hidden parts of the body which often are not easily accessible to the drugs. Amphotericin B is used to kill fungus that can cause serious or life-threatening infections. Considering the severity of the

Eighth Annual Report 2007-2008

toxicity of conventional Amphotericin B worldwide lipid formulations with controlled release are used as a drug delivery vehicle.

Liposomal Doxorubicin HCL

This is a chemotherapy drug used in treatment of certain common cancers. It is a reformulated version of doxorubicin a cancer drug that has been used for many years in standard chemotherapy regimens, in treating blood cancer technically known as myeloma. This drug is approved for use in combination with Velcade® (bortezomib, Millennium) to treat patients with myeloma. This drug is also used for treatment of patients with breast cancer, ovarian cancer and in patients with AIDS-related Kaposi's sarcoma.

Recombinant Proteins

Your company is developing a range of biopharmaceuticals leveraging on its strength in molecular biology and biotechnology. The patents on these products have expired and as such the generic companies are free to develop their clones and processes for manufacturing these proteins. Your company is currently developing processes for manufacture of Granulocyte-colony stimulating factor (G-CSF). G-CSF is an haematopoietic (blood forming) growth factor. It is used in the treatment of Neutropenia. Cancer patients undertaking chemotherapy drugs have side effects due to which there is reduction in the number of a type of white blood cells called neutrophils. This makes the body susceptible to infection. G-CSF when administered stimulates the bone marrow to produce more white blood cells. This can shorten the period during which you are at risk of developing multiple infections

SAFETY AND ENVIRONMENT PROTECTION

Your Company has been following strict environmental protection standards and ensured that employees' health and safety measures are maintained and monitored constantly.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company's operations do not involve a high-energy consumption. But the Company is taking all the necessary steps for the optimizing the usage of energy.

The Company has earned Foreign Exchange of Rs.11.33 Lakhs on account of direct exports made during the year. The Company has expended Rs.27.93 Lakhs in foreign exchange on account of import of Lab chemicals, Equipment and Travel related expenses.

DIRECTORS

Mr.K.N. Guha, Director of the company retires by rotation in this Annual General Meeting and is eligible for reappointment. Your Directors recommend his reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Section 217 (2AA) of the Companies Act, 1956 the Directors of the Company hereby state that:

- ♦ In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ♦ The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- ♦ The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

- ◆ That the Directors have prepared the accounts for the financial year ended March 31, 2008 on a 'going concern' basis.

Your Company has complied with all the recommendations of the Corporate Governance as applicable to the Company

EMPLOYEES

The Company do not have any employees coming under the provision of Section 217(2)(A) of the Companies Act, 1956.

PERSONNEL

Relationship between the management and employees was cordial during the year under review. The company employs primarily skilled manpower with at least a graduate or a post graduate degree due to the complexity of the nature of products being handled by the company.

The company has been taking adequate care in training on both technical and soft skills for the persons. The company is putting in place a robust performance measurement system to reward employees commensurate with the results they have contributed to the business.

The Directors place on record their sincere appreciation of the contribution made by the employees at all levels.

AUDITORS

M/s. A. Vijay Kumar & Co., Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

CORPORATE GOVERNANCE

The Company has incorporated Audit Committee for the efficient compliance of the Corporate Governance. The Audit Committee met every half year and also for the consideration of the Annual Accounts and thus met three times during the year.

ACKNOWLEDGEMENTS

Your Directors thank all the employees for their sincere efforts, active involvement and devoted services rendered and place on record their gratitude to the Companies Bankers for their support during the period under review.

By Order of the Board
For **Sven Genetech Limited**

Venkat R. Kalavakolanu
Chairman

Place : Secunderabad
Date : August 29, 2008

Eighth Annual Report 2007-2008

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE - I

FORM A : CONSERVATION OF ENERGY

(Form for disclosure of particulars with respect to Conservation of Energy)

	2007-2008	2006-2007
1. Power & Fuel Consumption		
a. Electricity :		
Purchased Units	2,29,272	2,20,784
Total Amount (Rs. In Lakhs)	14.49	13.91
Rate per Unit (Rs.)	6.32	6.30
b. Own generation through Diesel Generator		
Litres of Diesel Oil	27,200	39,196
Total Amount inclusive of other expenses (Rs. In Lakhs)	9.68	9.76
Cost per Unit (Rs.)	2.80	2.50

FORM B: RESEARCH & DEVELOPMENT

(New Product Development and Process Development)

1. Specified areas in which R & D is carried out by the Company :

- Peptide Chemistry
- Chiral Chemistry
- Biotechnology

Product focus is

- Side Chain Protected Amino Acids
- Unusual Amino Acids
- Unnatural Amino Acids
- Custom Peptides
- Diagnostics and Recombinant Proteins.

2. Benefits derived as a result of the above R & D :

The entire product range of the company is a result of the R&D efforts.

3. Future Plan of action :

The Company focus is on ...

- New Diagnostics based on Peptides
- New Drugs based on Peptides
- New Vaccines based on Peptides
- Drug Delivery system based on Peptides
- Nutraceutical based on Peptides

4. Expenditure on R & D, technology absorption, adaptation and innovation:

Efforts in brief, made towards technology absorption, adaptation and innovation. During the year the Company has incurred an amount of Rs.507.79 Lakhs on account of Research & Development. The company's focus is developing the technology in-house which is then commercialized for manufacturing.

AUDITORS' REPORT

To

The Members of
SVEN GENETECH LIMITED

1. We have audited the attached Balance Sheet of **SVEN GENETECH LIMITED** as at March 31, 2008 and the Profit and Loss account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3.1 In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a. in the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2008, and
 - b. in the case of the Profit and Loss

account, of the Profit of the company for the year ended on that date.

- 3.2 We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit.
- 3.3 In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of those books.
- 3.4 The Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of account.
- 3.5 In our opinion, the Balance Sheet and Profit and Loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- 3.6 On the basis of written representations received from the directors as on March 31, 2008, and taken on record by the Board of Directors, We report that none of the Directors is disqualified as on March 31, 2008 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
4. As required by the Companies (Auditors' Report) Order 2003, issued by the Central Government of India in terms of Section 227 (4 - A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that :
 - 1.1 The Company has maintained proper records showing full particulars, including the quantitative details and situation of fixed assets.
 - 1.2 All the assets have been physically verified by the management at intervals, which, in opinion are reasonable having regard to the

Eighth Annual Report 2007-2008

- size of the company and nature of its assets. No material discrepancies were noticed on such verification.
- 1.3 No substantial part of fixed assets have been disposed off during the year, which has a bearing on the assumption of "Going Concern".
- 2.1 According to the information and explanations given to us, inventories have been physically verified by the management at reasonable intervals during the year.
- 2.2 In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- 2.3 The company has maintained proper records of inventory. No material discrepancies were noticed on physical verification.
- 3.1 The company has not either granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the matters to be reported on whether the rate of interest and other terms and conditions of such loans prejudicial to the interest of the company (paragraph 4 (iii) (b)), whether the payment principal and interest are regular (paragraph 4 (iii) (c)), reasonable steps taken by the company for recover / payment of overdues (paragraph 4 (iii) (d)) are not applicable to the company.
- 4.1 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures, commensurate with the size of the company and the nature of its business, for the purchase of inventory, fixed assets and sale of goods. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
- 5.1 To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that there were no transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956. Hence whether such transactions have been made at prices at, which are reasonable having regard to the prevailing market prices at the relevant time (paragraph 4 (v)(b)).
- 6.1 In our opinion and according to the information and explanations given to us, the deposits accepted by the company are exempt from the provisions of Section 58 A and 58 AA of the Companies Act, 1956 and the rules framed there under.
- 7.1 In our opinion and according to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.
- 8.1 We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209 (1)(d) of the Companies Act 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- 9.1 According to the information and explanations given to us, the company is generally regular, with slide delays in few cases, in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Excise Duty with the appropriate authorities. There are no arrears of Statutory dues as on March 31, 2008
-

Sven Genetech Limited

-
- | | |
|---|--|
| <p>outstanding for a period of more than six months from the date they became payable.</p> <p>9.2 According to the information and explanations given to us, there are no dues of Sales Tax / Income Tax / Wealth Tax / Excise Duty / Cess which have not been deposited on account of any dispute.</p> <p>10.1 The Company does not have any accumulated losses and has not incurred any cash loss either during the year or in the immediate preceding previous year.</p> <p>11.1 According to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions and Banks.</p> <p>12.1 The Company has not granted any loans and advances to the basis of security by way of pledging of shares, debentures and other securities.</p> <p>13.1 As the Company is not a Chit Fund or Nidhi Company the matters to be reported under paragraph 4 (xiii) are not applicable to the company.</p> <p>14.1 According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments and hence, maintenance of proper records thereof and timely entries therein does not arise.</p> <p>15.1 In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions except for its parent company Jupiter Bioscience Limited.</p> <p>16.1 In our opinion and according to the information and explanations given to us,</p> | <p>the term loans have been applied for the purpose for which they were raised.</p> <p>17.1 According to the information and explanations given to us and on an overall examination of balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment or vice-versa, except to the extent of permanent working capital.</p> <p>18.1 According to the information and explanations given to us and in our opinion, the Preferential Allotment of shares to companies covered in the register maintained section 301 of the Companies Act 1956, is not prejudicial to the interest of the company.</p> <p>19.1 As the company has not issued any debentures during the year, the creation of security thereof does not arise.</p> <p>20.1 The company has not raised any money by way of Public Issue during the year under review.</p> <p>21.1 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed under the course of our audit.</p> |
|---|--|
- For A. Vijay Kumar & Co.,**
Chartered Accountants
- CA Vijay Kumar A.**
Partner
Membership No. 200770
- Place: Hyderabad
Date : August 29, 2008

Eighth Annual Report 2007-2008

BALANCE SHEET AS AT MARCH 31, 2008

Particulars	Schedule	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
I. SOURCES OF FUNDS			
1. Shareholders' Funds:			
a. Share Capital	1	200,000,000	200,000,000
b. Reserves & Surplus	2	69,261,545	42,658,470
		269,261,545	242,658,470
2. Share Application Money Deposit Pending Allotment		993,581,464	612,301,123
3. Loan Fund			
a. Secured Loans	3	90,034,457	135,439,289
b. Unsecured Loans	4	2,000,000	1,800,000
		1,085,615,921	137,239,289
		1,354,877,466	992,198,881
II. APPLICATION OF FUNDS			
1. Fixed Capital Expenditure	5		
a. Gross Block		649,328,980	460,460,050
b. Less: Depreciation		160,535,939	109,757,349
c. Net Block		488,793,041	350,702,701
d. Capital Works-in-Progress		432,267,419	254,608,252
		921,060,460	605,310,953
2. Current Assets, Loans & Advances:			
a. Inventories	6	59,420,553	49,671,651
b. Sundry Debtors	7	68,382,325	36,244,472
c. Cash and Bank Balances	8	8,264,318	2,165,020
d. Other Current Assets	9	49,017	49,017
e. Loans and Advances	10	21,372,350	17,248,990
		157,488,563	105,379,150
Less: Current Liabilities and Provisions			
a. Current Liabilities	11	13,945,651	10,972,479
b. Provisions	12	3,914,923	1,707,759
		17,860,573	12,680,238
Net Current Assets		139,627,990	92,698,912
3. Miscellaneous Expenditure	13	294,189,016	294,189,016
TOTAL		1,354,877,466	992,198,881
4. Notes forming part of the Accounts	20		

Per our report of even date

For and on behalf of the Board of Directors

For A. Vijay Kumar & Co.,
Chartered Accountants

Venkat R. Kalavakolanu
Chairman

CA Vijay Kumar A.
Partner
Membership No. 200770
Place: Hyderabad
Date : August 29, 2008

K.N. Guha
Director

Sven Genetech Limited

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

Particulars	Schedule	Year Ended 31.03.2008 Rs.	Year Ended 31.03.2007 Rs.
INCOME			
Sales		246,021,578	173,027,644
Other Income	14	34,051	41,377
TOTAL		<u>246,055,629</u>	<u>173,069,021</u>
EXPENDITURE			
Materials Consumed		59,936,393	46,462,928
Payment & Benefits to Employees	15	22,348,122	21,756,669
Manufacturing, Selling and Administrative Expenses	16	23,523,079	18,497,184
Financial Expenses	17	17,391,933	13,352,388
Depreciation		50,778,590	31,849,602
Research and Development Expenditure	18	50,252,047	41,477,695
		<u>224,230,163</u>	<u>173,396,465</u>
Less: Adjustment for Stocks	19	9,090,064	16,178,808
		<u>215,140,099</u>	<u>157,217,657</u>
Profit for the year before Taxation		30,915,530	15,851,364
Provision for Taxation		3,502,730	1,332,651
Provision for Taxation - Earlier Years		0	0
Provision for Fringe Benefit Tax		412,193	375,108
Net Profit after Taxes		<u>27,000,607</u>	<u>14,143,605</u>
Excess Provision for Income Tax written back		(445,872)	125,199
Excess Provision for FBT written back		48,340	196,932
Profit Carried forward from previous year		42,658,470	28,192,734
Profit carried to the Balance Sheet		<u>69,261,545</u>	<u>42,658,470</u>

Per our report of even date

For and on behalf of the Board of Directors

For **A. Vijay Kumar & Co.**,
Chartered Accountants

Venkat R. Kalavakolanu
Chairman

CA Vijay Kumar A.
Partner
Membership No. 200770

K.N. Guha
Director

Place: Hyderabad
Date : August 29, 2008

Eighth Annual Report 2007-2008

SCHEDULES

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SCHEDULE 1: SHARE CAPITAL		
Authorised Capital		
2,00,00,000 Equity Shares of Rs.10/- each	<u>200,000,000</u>	<u>200,000,000</u>
Issued, Subscribed and Paid-up Capital		
2,00,00,000 Equity Shares of Rs.10/- each	<u>200,000,000</u>	<u>200,000,000</u>
	<u>200,000,000</u>	<u>200,000,000</u>
SCHEDULE 2: RESERVES & SURPLUS		
Surplus	<u>69,261,545</u>	<u>42,658,470</u>
	<u>69,261,545</u>	<u>42,658,470</u>
SCHEDULE 3: SECURED LOANS		
Term Loans		
Syndicate Bank	<u>90,034,457</u>	131,394,807
Development Credit Bank Limited	<u>0</u>	<u>4,044,482</u>
	<u>90,034,457</u>	<u>135,439,289</u>
SCHEDULE 4: UNSECURED LOANS		
Security Deposits from Distributors	<u>2,000,000</u>	<u>1,800,000</u>
	<u>2,000,000</u>	<u>1,800,000</u>
SCHEDULE 6: INVENTORIES		
As per inventories taken and certified by the Management		
Raw Material	<u>14,796,218</u>	14,218,610
Consumables	<u>1,228,140</u>	1,146,910
Semi Finished Goods	<u>20,675,851</u>	16,361,618
Finished Goods	<u>22,720,344</u>	<u>17,944,513</u>
	<u>59,420,553</u>	<u>49,671,651</u>
SCHEDULE 7: SUNDRY DEBTORS		
Unsecured, Considered good, for which the company holds no security other than the debtor's personal security		
Outstanding for less than six months	<u>58,016,984</u>	32,496,683
Outstanding for more than six months	<u>10,365,341</u>	<u>3,747,788</u>
	<u>68,382,325</u>	<u>36,244,472</u>
SCHEDULE 8: CASH & BANK BALANCES		
Cash on Hand	<u>83,026</u>	140,453
Balance with Scheduled Banks - Current Accounts	<u>7,123,572</u>	966,847
Margin Money for Bank Guarantees	<u>1,057,720</u>	<u>1,057,720</u>
	<u>8,264,318</u>	<u>2,165,020</u>

SCHEDULE 5: FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
	Op. Balance as on 31.03.2007 Rs.	Additions during the year Rs.	Total as on 31.03.2008 Rs.	Upto 31.03.2007 Rs.	For the year Rs.	Total upto 31.03.2008 Rs.	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
Land	8,864,212	0	8,864,212	0	0	0	8,864,212	8,864,212
Buildings	27,807,686	0	27,807,686	3,710,965	928,777	4,639,742	23,167,944	24,096,721
Plant, Machinery and R & D Equipment	420,058,216	188,589,960	608,648,176	104,956,788	49,488,844	154,445,632	454,202,544	315,101,428
Office Equipment	1,146,362	0	1,146,362	375,842	118,534	494,376	651,986	770,520
Furniture & Fixtures	1,689,005	203,481	1,892,486	312,905	112,486	425,391	1,467,095	1,376,100
Computers	894,569	75,489	970,058	400,849	129,949	530,798	439,260	493,720
TOTAL	460,460,050	188,868,930	649,328,980	109,757,349	50,778,590	160,535,939	488,793,041	350,702,701
Previous Year's Total	357,514,278	102,945,772	460,460,050	77,907,747	31,849,602	109,757,349	350,702,701	279,606,531

Eighth Annual Report 2007-2008

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SCHEDULE 9: OTHER CURRENT ASSETS		
Interest Receivable	<u>49,017</u>	<u>49,017</u>
	49,017	49,017
SCHEDULE 10: LOANS AND ADVANCES		
Unsecured, considered good, advances recoverable in cash or kind or for value to be received		
Advances against Material	21,029,932	16,917,572
Deposits	339,473	328,473
Tax deducted at source	2,945	2,945
	<u>21,372,350</u>	<u>17,248,990</u>
SCHEDULE 11: CURRENT LIABILITIES		
Sundry Creditors	7,670,115	7,785,965
Other Liabilities	6,275,536	3,186,514
	<u>13,945,651</u>	<u>10,972,479</u>
SCHEDULE 12: PROVISIONS		
Provision for Income Tax	3,502,730	1,332,651
Provision for Fringe Benefit Tax	412,193	375,108
	<u>3,914,923</u>	<u>1,707,759</u>
SCHEDULE 13: MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Research & Development Expenditure - Opening Balance	294,189,016	294,189,016
Add: Transfer from Profit and Loss Account	0	0
	<u>294,189,016</u>	<u>294,189,016</u>
	Year Ended 31.03.2008 Rs.	Year Ended 31.03.2007 Rs.
SCHEDULE 14: OTHER INCOME		
Interest	58,724	37,590
Miscellaneous Income	(24,673)	3,787
	<u>34,051</u>	<u>41,377</u>
SCHEDULE 15: PAYMENTS & BENEFITS TO EMPLOYEES		
Salaries & Wages	20,324,571	19,918,601
Provident Fund and ESI	1,519,879	1,371,906
Staff Welfare	503,672	466,162
	<u>22,348,122</u>	<u>21,756,669</u>

Sven Genetech Limited

	Year Ended 31.03.2008 Rs.	Year Ended 31.03.2007 Rs.
SCHEDULE 16: MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENDITURE		
Consumables	4,656,231	3,718,744
Power & Fuel	1,933,878	1,639,414
Repairs & Maintenance-Plant	658,406	759,010
Insurance	452,860	656,759
Rent	218,700	138,500
Rates, Taxes & Filing Fees	2,080,820	1,606,090
Travelling & Conveyance	1,971,193	2,715,737
Communication Expenses	603,211	575,309
Printing & Stationery	911,563	946,628
Freight & Transportation	811,312	715,233
Sales Commission	684,784	670,583
Business Development expenses	2,722,745	1,290,873
Legal & Professional Charges	3,012,157	718,018
General Expenses	2,805,220	2,346,288
	<u>23,523,079</u>	<u>18,497,184</u>
SCHEDULE 17: FINANCIAL EXPENSES		
Interest on Term Loans	16,083,953	11,016,525
Interest on other Loans and Deposits	1,307,980	2,335,863
	<u>17,391,933</u>	<u>13,352,388</u>
SCHEDULE 18: RESEARCH AND DEVELOPMENT EXPENSES		
Material Consumed	33,812,905	27,287,751
Payment & Benefits to Employees	7,449,374	5,439,167
Other Overheads	8,989,768	8,750,777
	<u>50,252,047</u>	<u>41,477,695</u>
SCHEDULE 19: ADJUSTMENT FOR STOCKS		
Opening Balance:		
Finished Goods	17,944,513	9,379,300
Semi Finished Goods	16,361,618	8,748,023
	<u>34,306,131</u>	<u>18,127,323</u>
Closing Balance:		
Finished Goods	22,720,344	17,944,513
Semi Finished Goods	20,675,851	16,361,618
	<u>43,396,195</u>	<u>34,306,131</u>
Increase in Stocks	9,090,064	16,178,808

Eighth Annual Report 2007-2008

SCHEDULE 20

NOTES FORMING A PART OF THE ACCOUNTS AS AT MARCH 31, 2008

1. Significant Accounting Policies:

- a. Accounting Convention and Basis :

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles and are based on the accrual concept of accounting.
 - b. Fixed Assets :

Fixed Assets are stated at original cost of acquisition including taxes, duties, freight, foreign exchange gains / losses and other incidental expenses related to acquisition and installation of the concerned assets.
 - c. Depreciation :

Depreciation is provided on straight line basis at rates provided in Schedule XIV to the Companies Act, 1956.
 - d. Research & Development Expenditure:

Expenditure on development of new products/processes is carried forward.

 - i. To be amortised over a period of five years from the date of commercial exploitation or
 - ii. To be written off in the year of sale/ transfer, in the event of the transfer of rights over such products/processes, or
 - iii. To be written off in the year in which such products/processes are determined as not commercially viable.
 - e. Inventories:

Inventories are valued at cost or net realizable value, whichever is lower.
 - f. Revenue Recognition:

Revenue is recognized where the goods are physically dispatched to the customers/agents, supported by a proof of dispatch and certainty of realisation.
 - g. Borrowing Costs:

The amount of borrowing cost capitalized during the year is Rs.40.21 Lakhs and borrowing cost charged to Revenue Expenses is Rs.173.92 Lakhs.
 - h. Taxation:

Income Tax expenses comprises current tax. Provision for tax has been computed on the basis of Book Profits in accordance with Section 115 JB of the Income Tax Act, 1961.
 - i. Preliminary Expenses :

Preliminary Expenditure is to be written off over a period of five years.
2. The sales during the year reflect sale of products from Research & Development activity and Formulations of the Company.
 3. The Term Loans from Syndicate Bank is secured by equitable mortgage of Land and Buildings and on Hypothecation of Plant & Machinery and other Fixed and Current assets of the Company

Sven Genetech Limited

and on the personal guarantee of the Chairman of the Company and also corporate guarantee of parent company Jupiter Bioscience Ltd.

4. In accordance with Accounting Standard on “Accounting for Taxes on Income (AS-22)” issued by the Institute of Chartered Accountants of India, no provision is required to be made for Deferred Tax as the Companies deferred tax liabilities are fully met by the losses and allowances under the provisions of Income Tax Act, 1961 and Deferred Tax asset is not recognized in the books of account, being more prudent.
5. The Company has no information as to whether any of its suppliers constitute small scale/ ancillary undertaking and therefore, the amounts due to such suppliers have not been identified.
6. Additional information pursuant to the provisions of paragraphs 3 & 4 and of schedules VI to the Companies Act, 1956 :

a. Installed Capacities	:	Peptide Group 1000 kgs/annum (as Certified by the management)	
b. Production	:	Qty in Kgs.	Value (Rs.in lakhs)
Peptide Precursors & Others	:	306.030 (239.560)	—
c. Turnover			
Peptide precursors & Others	:	288.000 (231.200)	2460.22 (1730.28)
d. Opening stock			
Peptide Precursors & Others	:	34.680 (26.320)	136.57 (93.79)
e. Closing stock			
Peptide Precursors & Others	:	44.350 (34.680)	227.20 (136.57)
f. Raw Material Consumption			
Benzyl Acrylic Acid	:	488 (276)	2.67 (8.85)
Para Iodo Anisole	:	142 (206)	1.04 (3.29)
Raney Nickel	:	42 (71)	2.66 (12.11)
Penta Fluorophenol	:	8 (56)	0.56 (14.13)
Palladium Catalyst	:	16 (14)	4.64 (8.38)
Others	:		587.79 (417.88)

Note : Details of Material consumed in respect of Research & Development activity are not given.

Eighth Annual Report 2007-2008

g. Break up of Raw Material Consumption	:	%	Amount (Rs. in Lakhs)
Indigenous	:	100	599.36
		(100)	(464.63)
Imported	:	-	-
		-	-
h. Earnings in Foreign Exchange	:		
- FOB value of exports of Finished goods			28.32
			(11.33)
i. Expenditure in Foreign Exchange			
Laboratory Chemicals, Equipment and others	:		27.81
			(27.93)
j. Payments to Auditors			(Amount in Rs.)
1. As Auditors	:		75,000
			(50,000)

7. Previous years figures have been regrouped and rearranged wherever necessary.

Signatures on Schedules 1 to 20

Per our Report of even date

For and on behalf of the Board of Directors

For **A. Vijay Kumar & Co.,**
Chartered Accountants

Venkat R. Kalavakolanu
Chairman

CA Vijay Kumar A.
Partner
Membership No. 200770

K.N.Guha
Director

Place: Hyderabad
Date : August 29, 2008

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details

Registration Number : 01-33456
State Code : 01
Balance Sheet Date : 31.03.2008

2. Capital Raised during the year : Public Issue Rights Issue
(Amount Rs. in Thousands) : NIL NIL
Bonus Issue Private Placement
NIL NIL

3. Position of mobilisation and deployment of funds
(Amount Rs. in Thousands)

Sources of Funds

Total Liabilities	: 1,354,877	Total Assets	: 1,354,877
Paid up Capital	: 200,000	Reserves & Surplus	: 69,261
Share Application Money	: 993,581	Secured Loans	: 90,034
Unsecured Loans	: 2,000		

Application of Funds

Net Fixed Assets	: 488,793	Capital Work-in-Progress	: 432,267
Net Current Assets	: 139,628	Misc. Expenditure	: 294,189
Accumulated Losses	: 0		

4. Performance of the Company
(Amount Rs. in Thousands)

Turnover	: 246,056	Total Expenditure	: 215,140
Profit before tax	: 30,916	Profit after Tax	: 27,000
Earnings per Share in Rs.	: 1.35	Dividend Rate %	: 0

5. Generic Names of three Principal Products/Services of the Company :

Item Code (ITC CODE)	: Product Description
2922.4	Amino Acids

For and on behalf of the Board of Directors

Venkat R. Kalavakolanu
Chairman

Place: Hyderabad
Date : August 29, 2008

K.N. Guha
Director

Jupiter Bioscience Inc.

DIRECTORS' REPORT

JUPITER BIOSCIENCE INC was incorporated as a wholly owned subsidiary of your company in the State of Virginia in USA.

JUPITER BIOSCIENCE INC has been founded to primarily cater to the end user market in peptides and peptide Raw Materials in US, Europe, Canada and Japan.

Presence in the end user market would enable better understanding of the changing trends in the pharmaceutical industry in general and peptides in particular. The proximity to the customer will enable the company to formulate the appropriate product and R&D strategy. Supply contract opportunities are possible for Patented and Generic products if the FDA approved facility is situated in US and it is easier and faster to get the DMF filing in other countries if the FDA approved facility is in US when compared to any other places.

JUPITER BIOSCIENCE INC is in the process of implementing the setting up of a cGMP manufacturing facility in Maryland for the manufacture of Custom Peptides, Clinical Peptides and Peptide based generic active pharmaceutical ingredients (APIs). According to IMS World Review, even in 2015, the size of the US pharmaceutical market will exceed the size of remaining 13 of the top 14 largest pharmaceutical markets in the world. This further validates your Company's strategy of starting a Greenfield manufacturing plant in the USA.

For the year under review the company completed certain milestones in getting this facility operational. The facility design process and civil works in the facility along with the

necessary manufacturing blocks was completed during the year. The company applied for necessary approvals from the local administration for the building layout and storage of solvents and chemicals required for synthesis. Majority of the necessary approvals have been obtained. In the last financial year the company identified the technical manpower for running the unit and the same have been taken on board. The company expects to start the production operations from the unit in the current financial year.

JUPITER BIOSCIENCE INC would be managed by a Board of Directors and the technical guidance would be given by a Scientific Board. The day-to-day management would be vested with the President and the CEO of the company.

The promotion of Jupiter Bioscience Inc. is a logical step in the direction of consolidating your company's presence in such markets. Jupiter Bioscience Inc. will bring benefit to your company and provide able support in market promotion, customer interaction and support and market research.

Your Directors are presenting herewith the Balance Sheet of Jupiter Bioscience Inc as on 31.03.2008 and no Profit and Loss Account was prepared for the period as there were no operations. All the expenses incurred were of the nature of Preliminary and Pre-operative expenses.

For and on behalf of the Board

Venkat R. Kalavakolanu
Director

Place : Secunderabad
Date : August 28, 2008

Jupiter Bioscience Inc.

BALANCE SHEET AS AT MARCH 31, 2008

Particulars	Schedule	As at 31.03.2008 Amount in Rs.	As at 31.03.2007 Amount in Rs.
SOURCES OF FUNDS			
Common Stock	A	4,831	4,831
Advance towards Share Capital from Jupiter Bioscience Ltd., India		58,319,221	33,484,036
Unsecured Loans		6,101,243	6,101,243
Accounts Payable	B	2,574,163	6,118,090
Total		<u>66,999,458</u>	<u>45,708,200</u>
APPLICATION OF FUNDS			
Checking Account - Sun Trust Bank		649,822	89,666
Advances for Consulting / Services		3,182,693	3,182,693
Preliminary & Preoperative Expenses	C	63,166,943	42,435,841
Total		<u>66,999,458</u>	<u>45,708,200</u>

For and on behalf of the Board

Venkat R. Kalavakolanu
Director

Place : Secunderabad
Date : August 28, 2008

Jupiter Bioscience Inc.

SCHEDULES TO BALANCE SHEET

Particulars	As at 31.03.2008 Amount in Rs.	As at 31.03.2007 Amount in Rs.
SCHEDULE - A		
COMMON STOCK		
Authorised Share Capital 5,000 Common Shares of \$ 1 per share	241,533	241,533
Issued, Subscribed and Paid-up Capital 100 Common Shares of \$ 1 per share	4,831	4,831
Total	4,831	4,831
SCHEDULE - B		
ACCOUNTS PAYABLE		
Professional Fees Payable	817,764	657,350
Salaries and Contributions Payable	1,203,107	3,747,566
Rentals Payable	553,291	1,713,174
Total	2,574,163	6,118,090
SCHEDULE - C		
PRELIMINARY & PREOPERATIVE EXPENSES		
Administrative and General Expenses	27,328,898	15,533,420
Depreciation	33,568	33,568
Legal & Professional fees & Expenses	12,782,645	12,254,000
Rentals & Maintenance - Office	22,005,481	13,853,866
Other Expenses	1,016,351	760,986
Total	63,166,943	42,435,841

Notes on Accounts:

1. No Profit & Loss Account was prepared for the accounting period since there was no operation and therefore no corresponding income from operation. All the expenses incurred were of the nature of Preliminary and Pre Operative Expenses to be capitalised when project commences operation.
2. Previous year's Figures are regrouped / rearranged wherever necessary to make them comparable with the current year.
3. Balance Sheet as at March 31, 2008 has been prepared for the purpose of disclosure and consolidation with the Accounts of Jupiter Bioscience Limited, though this does not represent the year ending of the Company.

For and on behalf of the Board

Venkat R. Kalavakolanu
Director

Place : Secunderabad
Date : August 28, 2008



JUPITER BIOSCIENCE LIMITED

Regd. Office: 24, Kolhar, I.D.A., Bidar - 585 401, Karnataka

ATTENDANCE SLIP

23rd Annual General Meeting, Monday, the 29th September, 2008 at 10.30 a.m. at the Registered Office of the Company at 24, Kolhar, I.D.A., Bidar - 585 401, Karnataka

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

NAME OF THE MEMBER	FOLIO NO./CLIENT ID	NO. OF SHARES HELD

I hereby record my presence at the 23rd ANNUAL GENERAL MEETING of the Company.

SIGNATURE OF THE MEMBER OF THE PROXY ATTENDING THE MEETING

If Member, please sign here	If Proxy, please sign here



JUPITER BIOSCIENCE LIMITED

Regd. Office: 24, Kolhar, I.D.A., Bidar - 585 401, Karnataka

PROXY FORM

Regd. Folio No. Client. I.D. No.....

I/We

of in the District of

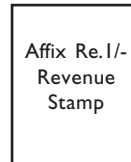
being a member(s) of the above named company, hereby appoint

of in the District of

as my/our Proxy to vote for me/us on my/our behalf at the 23rd Annual General Meeting of the Company to be held on Monday, the 29th September, 2008 at 10.30 a.m. at the Registered Office of the Company at 24, Kolhar, I.D.A., Bidar - 585 401, Karnataka and at any adjournment thereof.

Signed this day of 2008

Signature



- Note:
1. Proxy need not be a member
 2. The Proxy Form duly signed across Re.1/- Revenue Stamp should reach the Registered Office of the Company at least 48 hours before the time fixed for the meeting.